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25 August 1983

# Sub-Saharan Africa Report

No. 2837

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25 August 1983

## SUB-SAHARAN AFRICA REPORT

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## CONTENTS

## ANGOLA

APA To Intensify Struggle Against Anti-Angolan Activities in Portugal (JORNAL DE ANGOLA, 5 Jul 83).....	1
Medical Students in Czechoslovakia Described (JORNAL DE ANGOLA, 24 Jun 83).....	3

## GABON

Briefs Nuclear Power Station Studies	5
---	---

## GAMBIA

Minister of Finance Sheriff Siga's Budget Speech (Eddie Momoh; WEST AFRICA, 25 Jul 83).....	6
--	---

Briefs Imports Increase Liver Cancer Campaign	8 8
---	--------

## LESOTHO

Mofeli Calls for Diplomatic Ties With South Africa (THE CITIZEN, 3 Aug 83).....	9
--	---

## MAURITIUS

UDM Hits Role of Communalism in Elections (L'EXPRESS, 15 Jul 83).....	10
--	----

Soundness of Sugar Industry Examined  
(LE MAURICIEN, 20 Jul 83; L'EXPRESS, 21 Jul 83)..... 12

Situation Not Alarming  
Growing Debt of Sugar Industry  
Sugar Producers Refute Planters

Problems of National Sugar Industry Reviewed  
(Yvan Martial Editorial; L'EXPRESS, 3 Jul 83)..... 17

MOZAMBIQUE

Joint Commission Cooperation Projects  
(NOTICIAS, 20 Jul 83)..... 21

Netherlands Dredging Equipment for Beira Port  
(Rogerio Sitoé; NOTICIAS, 20 Jul 83)..... 23

Yugoslavia Donates Television Sets, Radios  
(NOTICIAS, 8 Jul 83)..... 24

Briefs

Norway To Finance Power Plant 26  
Delegation Visits Uzbek SSR 26  
Portugal Desires Stronger Ties 27

NAMIBIA

Briefs  
Ovambo Administration Malpractices 28

SENEGAL

Fish Exports Increase 29  
Round Table Suggestion 29

SOUTH AFRICA

Ciskei Assembly Accuses SA of Breaking Promises  
(Owen Vanqua; DAILY DISPATCH, 22 Jul 83)..... 30

Giliomee Examines Proposed Constitution  
(Hermann Giliomee; SUNDAY TIMES, 24 Jul 83)..... 32

De Kock's Determination To Beat Inflation Viewed  
(Fleur De Villiers; SUNDAY TIMES, 24 Jul 83)..... 35

Giliomee Examines Inkatha Election Boycott Plans  
(Hermann Giliomee; THE CAPE TIMES, 16 Jul 83)..... 38

Tshabalala Moves To Oust Top Councillors (Sam Mabe; SOWETAN, 3 Aug 83).....	41
ANCWL's Legendary President Lillian Ngoyi Honored (Zwelakhe Sisulu; SOWETAN, 3 Aug 83).....	42
WRAB Claims Implementation of Rikhoto Ruling (THE CITIZEN, 4 Aug 83).....	43
UDF Rally Expected To Attract Thousands (Sam Mabe; SOWETAN, 2 Aug 83).....	44
SA in 'Pretty Serious' Recession, Says LTA Chairman (Don Wilkinson; THE CITIZEN, 29 Jul 83).....	46
Negative Growth Rate Predicted for Second Year (THE CITIZEN, 29 Jul 83).....	48
SA Has a Free Press, Minister Claims (THE CITIZEN, 30 Jul 83).....	49
Discipline Threat Issued by Broederbond (THE CITIZEN, 2 Aug 83).....	50
Reform Bill Survey 'Not Surprising,' Says Boraine (THE CITIZEN, 2 Aug 83).....	51
Assocom Suggests Constraints in Planned Reform (THE CITIZEN, 2 Aug 83).....	52
East Rand Councillor Gets Death Threat (Mzikayise Edom; SOWETAN, 4 Aug 83).....	54
First BOPP Plant Nears Completion at Cham dor (THE CITIZEN, 3 Aug 83).....	55
Massive Civil Defense Test Planned for 4 August (Marilyn Cohen; THE CITIZEN, 3 Aug 83).....	56
Life Insurance Industry Earnings Reported (THE CITIZEN, 4 Aug 83).....	57
Palabora Records Bright First Six Months (Daan de Kock; THE CITIZEN, 4 Aug 83).....	59
Problems Beset Sales of State-Owned Homes (Editorial; SOWETAN, 4 Aug 83).....	60

Nation Ready To Stake Billions on Dry-Cooled Answer to Energy Problems (Simon Willson; RAND DAILY MAIL, 23 Jul 83).....	62
RWB Optimistic About Attaining Water-Saving Goal (Mark Gordon; THE CITIZEN, 2 Aug 83).....	65
New Minerals in Diamond-Bearing Rocks Discovered (DIAMOND FIELDS ADVERTISER, 20 Jul 83).....	66
Muslim Leaders Reject New Deal Plans (THE DAILY NEWS, 26 Jul 83).....	67
Low Productivity Weakens SA's Export Position (Stan Kennedy; THE STAR, 26 Jul 83).....	68
Urban Foundation Director Interviewed (Anthony Duigan; THE STAR, 27 Jul 83).....	70
Aluminum Vehicles Save Energy (SUNDAY TIMES-BUSINESS TIMES, 24 Jul 83).....	72
<b>Briefs</b>	
Coal Price, Output	74
New Alloy 3Crl2	74
Epoxy Tar Imported	74
Phalaborwa Rock Tests	75
Cold Profits	75
New Safety Fuse Plant	75
Krugersdorp Fish Dying	76
F.S. School Admits Taiwanese	76
Farmers' Drought Costs	76
Marine Institute Appointment	77
Maize Policy	77
Secret Platinum Coinage	77
Islamic Council Delegation	77
Oranjewerkers Condemn Reform	78
ANC Student Sentenced	78
AECI Closes Natal Factory	78

APA TO INTENSIFY STRUGGLE AGAINST ANTI-ANGOLAN ACTIVITIES IN PORTUGAL

Luanda JORNAL DE ANGOLA in Portuguese 5 Jul 83 pp 1, 2

Text Lisbon--The Portugal-People's Republic of Angola Association (APA), which met for the first time on the national level in Lisbon last weekend, decided to intensify its struggle against and its denunciation of anti-Angolan activities in that country.

The delegates approved a project to continue information-seeking activities pertaining to subversive actions by Angolan counterrevolutionaries in Portugal, along with the different parliamentary groups from Portuguese political parties.

To this end, it was learned that the parliamentary group of the Portuguese Communist Party has agreed to receive an APA delegation tomorrow.

To the same end, the meeting was pleased with the support the APA received from the MDP-CDE, whose group in the Assembly of the Republic has already received Association representatives.

Also within the framework of these efforts, APA decided to request an audience with the Portuguese minister of foreign affairs, Jaime Gama. One initiative that the Portugal-Angola Association decided to take in the near future was to pursue efforts with the Toponimia committee of the Lisbon Municipal Chamber to change the site of the street selected to be named after President Agostinho Neto. This came following a decision by the councilmen's assembly of the city of Lisbon.

The APA's stand on this comes from its complete disagreement with the Toponimia committee's choice, a highway unworthy of the Angolan revolutionary leader's name by virtue both of its location and its size.

Augustinho Neto Street is to be opened next 17 September, also as prescribed in the same city council decision.

The association also decided to organize a national conference for cooperation with official Lusophone African states, to be held during the first half of 1984. Its goal would be to analyze the state of collaboration existing among our countries and to work to increase it.

The national APA meeting also approved several motions supporting the popular struggles in South Africa, and solidarity with the MPLA (Popular Movement for the Liberation of Angola)-Labor Party and the Angolan revolution.

Another motion was approved protesting the recent excursion of a group of Portuguese sports enthusiasts to South Africa. The delegates decided to send a protest to the Portuguese Soccer Federation.

During the course of the work, general approval was also given the draft agreement between the Association and the African League of Friendship and Popular Solidarity, which is to be signed in the near future.

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CSO: 3442/299

MEDICAL STUDENTS IN CZECHOSLOVAKIA DESCRIBED

Luanda JORNAL DE ANGOLA in Portuguese 24 Jun 83 p 4

Excerpts Humera, Miguel, Chanhtay, Khalil and many other foreign students from Laos, Angola, Afghanistan, Ethiopia, Lebanon and other countries are in Czechoslovakia so that one day they may return to their home countries as nurses, X-ray laboratory technicians, or skilled retraining specialists. They are living in Turnov, a city about 100 km north of Prague. There, in the professional nursing training course, they are attending a year-long preparatory course. For 3 months they study the Czech language intensively, then during the rest of the year they concentrate especially on chemistry, biology, physics and physical education.

The preparatory course must balance the students' levels of knowledge, which are often quite disparate, with those of the Czech students who have just finished basic school. If they successfully pass the Czech language tests, the students continue their studies for 4 years, receiving specialized professional training which consists of 25 subjects in all.

The students are between 17 and 21 years old, and some of them have already decided upon their professional plans.

"We want to prepare the students for conditions in their own countries. We do not teach them what they cannot use there, adding what is necessary. They must study specialized Latin, the international language of all doctors and workers in the health field. The students learn about tropical medicine in the third and fourth years of study," the school's director, Dr Karel Guznar, told us.

"We do everything to help the foreign students adapt to the environment, which, from the points of view of climate and life style, is very different. We partially change the meals, and, in addition to a scholarship, we provide them a stipend for winter clothes. We organize excursions for them to the outskirts of the city. For example, we went to see the world ski jump championship in Harrachov. During summer vacation, the students spent a week in Prague. They also participate in activities for public benefit," Dr Guznar said. During part of their summer vacation, the foreign students, along with their Czech colleagues, worked on an agricultural cooperative near the city. Representatives of state organizations often come to talk with them.

Their knowledge of the Czech language allows the students to establish friendships with the inhabitants of Turnov. Their first friends were their own teachers, who invite the students often, even into their own homes. Today, the students have friends among their Czechoslovakian colleagues.

The first 26 foreign students arrived in Turnov in the fall of 1981. During the 1985-86 academic year, more than 120 foreign students will study in the secondary professional nursing training course in Turnov. A new internship facility will be open too, and the students will move from rooms with four beds to modern cubicles, each containing sanitary facilities and two rooms with two beds each.

A delegation from the Socialist Republic of Czechoslovakia's Ministry of Education visited our country from the 18th to the 21st of this month for studies in the area of cooperation with the National Scholarship Institute.

This visit, through contact with the institute, allowed for the study of a method to select the next Angolan scholarship holders who will soon attend upper level and intermediate courses in that friendly country.

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CSO: 3442/299

GABON

BRIEFS

NUCLEAR POWER STATION STUDIES--Studies are under way in Libreville and Paris concerning the possibility of France supplying Gabon with a nuclear power station, reports AFP from Libreville. President Bongo asked for a nuclear power station in a surprise request during a dinner last January when President Mitterrand was on an official vist to Gabon. [London WEST AFRICA in English No 3440, 18 Jul 83 p 1686]

CSO: 3400/1726

## MINISTER OF FINANCE SHERIFF SISAY'S BUDGET SPEECH

London WEST AFRICA in English 25 Jul 83 p 1704

[Article by Eddie Momoh]

[Text] IN HIS RECENT budget speech to the Gambian Parliament, the Minister of Finance, Mr. Sheriff Sisay, announced a number of revenue proposals to raise funds for the country's development programme, which is being projected this year at D119,400,000.

In an unusually detailed speech, Mr. Sisay announced that the Government was to introduce an annual tax on all professionals working privately in the country, with an initial D1,000 tax levied on all private doctors, lawyers, accountants and surveyors. This measure, he said would raise D40,000. Duty on cigarettes and manufactured tobacco is being raised from D2 per 100 sticks to D3 per 100 sticks. Mr. Sisay said the revenue yield from this measure is estimated at D1,200,000. The duty on sugar is also being increased, from D116 per metric tonne (or D5.80 per bag of 50 kg) to D150 per metric tonne (or D7.50 per bag of 50 kg). This is expected to raise some D1,088,000. An excise duty of 10 bututs per litre will be introduced for the first time on soft drinks with an expected yearly revenue of D300,000. Excise duty on beer, stout and ale is also being increased from D87 per hectolitre to D100 per hectolitre while at the same time, excise duty on whisky, wine, gin and rum will be revised; both measures, said Mr. Sisay were expected to raise at least D500,000.

The minister said all parastatal organisations and other government agencies would henceforth be required to pay customs duty on all imports and local purchases. The only exceptions would be the fuel requirements of the Gambia Utilities Corporation and the Gambian Public Transport Corporation.

## Thinking Twice About Luxury

Other taxes included a duty on manufactured garments, excluding undergarments, from 25 per cent to 35 per cent; duty on automobile batteries from 45 per cent to 55 per cent, entertainment tax from 10 per cent to 15 per cent and land rent was to be pushed up from D1.50 per 1,000 sq. ft. to D3 per 1,000 sq. ft. People with a taste for luxury are also being tempted to think twice, because according to Mr. Sisay, taxes on all luxury items would shoot up:

- Air conditioners from 30 per cent to 40 per cent.
- Refrigerators from 30 per cent to 40 per cent.
- Radios from 15 per cent to 25 per cent.
- TVs from 50 per cent to 60 per cent.
- Music systems from 35 per cent to 45 per cent.

In all there are more than thirty items, including telecommunications services on which the government has increased taxes. These tax proposals will bring in an extra D16,118,477, making total revenue D135,743,710 for 1983/84. This amount will provide the required funds to finance operations of the government for the coming year.

Meanwhile, the government's economic performance during 1982/83 is said to have sharply declined due to shortfalls in income tax, customs revenues and the non-receipt of an amount of D6.5m. in new loans which may now materialise during the 1983/84 financial year, according to Mr. Sheriff Sisay. In particular almost all the government-controlled parastatal organisations took a tumble with severe finan-

cial losses during the year.

For example, despite an increase in turn-over from D9,991,593 to D12,685,254, the Gambia Utilities Corporation sustained another terrible operating loss of D6,341,054 last year. This was an increase of 125.5 per cent over the previous year's loss of D2,811,193. The cumulative losses to date amount to D24,182,843. Mr. Sisay has attributed these severe economic cracks to "an increase in production costs, interest charges and head office costs."

The same economic mess has continued to eat up other state organisations, like the Gambia Public Transport Corporation (PTC), the Gambia Produce Marketing Board (GPMB) and the Gambia National Trading Corporation (GNTC). Last year's PTC loss alone amounted to more than D2m., an increase on the previous year's loss of D1½m.

In the case of the GPMB, although its turn-over had increased to D86.9m. in 1981/2, compared to D64m. for the previous year, the Board increased its operating loss to D20.6m. up to September last year, compared to a loss of D4.3m. for the previous year. Mrs. Sisay said that the losses were owing to the fact that there "was a large volume of produce on which the differential between the producer price (purchase cost) and world market price (selling price) was substantial." He said in addition to these problems, there was "the cost of servicing increased bank loans and overdrafts and also the rise in operating costs." Financial considerations aside, the evidence shows that these unprofitable state controlled organisations are mismanaged.

The minister's budget revealed that even the once-profitable Gambia Ports Authority was in severe financial difficulties. For the first time since its inception, the Authority recorded a net loss of over D4m. compared to a net profit of D142,982 for 1981. Mr. Sisay blamed this decline in earnings "as a result of a drop in both cargo and ferry traffic."

On trade, the Minister revealed a balance of trade deficit of D132.7m during the 1982/83 financial year. This, he said, indicated an improvement of D14.1m. in the country's balance of trade deficit when compared with the 1981/82 deficit of D146.8m. External trade, he revealed, also dropped from D312.5m. the previous year to D305m this year. The Minister blamed the decline in the country's external trade situation on "decreases in exports".

On the domestic economy, Mr. Sisay told Parliament that although 1981/82 reg-

istered some improvements in agricultural production, 1982/83 was a better year in that the country had a good and evenly distributed rainfall which had had a considerable impact on agricultural production. Overall, he said, there was an upward movement of Gross Domestic Product (GDP) with D594.4m. estimated for 1982/83. Groundnut production, said the Minister, was the highest for five years, with at least 128,000 tonnes in 1982/83. But, said Mr. Sisay, "unfortunately, the world market price, over which we have no control, fell to very low-levels." On rice production, the Minister of Finance said that milled rice dropped in 1982/83 when compared with the 1981/82 figure of 25,610 tonnes. He attributed the fall in production to unfavourable weather conditions. "Outbreaks of pests such as grasshoppers, army worms and stem borers only exacerbated the situation," reported the minister.

The country's second cash crop, cotton, also took a severe knocking with an average decline of 873 kilograms for the 1982/83 season as against 1,000 kilograms per hectare in the previous season. Nonetheless, said the minister, "efforts will be intensified for the rapid expansion of cotton production for the greater benefit of our farmers and the economy as a whole."

The Minister of Finance said that the Livestock Marketing Board (LMB) made an overall trading turnover of D2.6m. during the 1982/83 financial year, representing an increase of 13 per cent over the previous year's figures. He mentioned the Livestock Development project to be started soon, adding that it will aim at improving the Ndama Cattle production for export as breeding stock and for the local market for meat and drought works.

On the fishing industry, Mr. Sisay announced that the EEC funded fisheries project will soon be ready and construction of feeder roads leading to fishing centres along the coast will be completed in the 1983/84 fiscal year. "All government can do is to provide the necessary infrastructure and incentives in order to encourage increased production, and Gambian fishermen must use these," he said. Mr. Sisay mentioned the government's renewed negotiations with the African Development Bank and the Government of Norway to finance the industrial fisheries project. This project when completed will provide a processing and storage facility, fishing pier and trawlers. "The positive effect this project will have on the economy both in terms of foreign exchange earnings and creation of job opportunities will be quite substantial," Mr. Sisay noted.

GAMBIA

BRIEFS

IMPORTS INCREASE--The Gambia imported more goods than it exported in March this year, according to the Central Statistics department. The department's summary of external trade figures for March, 1983, puts The Gambia's visible trade deficit at D19.41m. during the period under review compared with D6.98m. in the previous month and D4.4m. in March, 1982. According to the department, The Gambia imported goods worth D31.77m. in March this year, representing an increase of D13.68m. over the previous month's imports at D11.01m. over that of March last year. Exports, on the other hand, increased slightly from D11.11m. in February this year to D12.37m. during the month under review. This, however, shows a drop of D3.95m. when compared with the export figures for the corresponding month last year. The bulk of the imports during the month under review are classified under "food and live animals" group, "beverages and tobacco", machines and transport equipment and manufactured goods. Shelled groundnuts, groundnut oil and fish and fish products accounted for most of The Gambia's exports. [London WEST AFRICA in English No 3440, 18 Jul 83 p 1678]

LIVER CANCER CAMPAIGN--Efforts are being intensified to raise funds for a vaccination campaign to prevent liver cancer. The Gambia's most common cancer, according to The Gambian News Agency. It said the campaign is against hepatitis B virus infection which puts a person at a high risk of having liver cancer. It is said that liver cancer kills one in 50 Gambian men every year. The man in charge of the campaign, Dr. Robin Ryder of the Medical Research Council (MRC), told the agency that the French drug manufacturers, Institute Pasteur, is donating \$3m. (about D7.5m.) towards the campaign, whilst WHO has agreed to help raise the balance of \$3m. He expects the vaccination campaign to start in January, 1984. He said it will affect 75,000 children in The Gambia during its five-year, duration. [London WEST AFRICA in English No 3441, 25 Jul 83 p 1733]

CSO: 3400/1726

MOFELI CALLS FOR DIPLOMATIC TIES WITH SOUTH AFRICA

Johannesburg THE CITIZEN in English 3 Aug 83 p 14

[Text]

MASERU.—The leader of Lesotho's opposition Democratic Party, Mr C D Mofeli, is to address the Pretoria Press Club on his party's policy of establishing diplomatic links between Lesotho and South Africa.

Mr Mofeli told a Press conference in Maseru yesterday he had accepted the club's invitation and would be travelling to Pretoria on a date still to be fixed.

He said it was important for Lesotho to establish diplomatic relations with South Africa because of numerous ties between the two countries in economic, labour and tourism fields.

Lesotho would benefit in many ways through consultation with South Africa if diplomatic relations were established.

He said Lesotho's tourist industry was on the verge of collapse because the bulk of the tourists to the country were South Africans who had "run away" from Lesotho and

now spent their holidays in South Africa's homelands.

Mr Mofeli said he had announced the invitation by the Pretoria Press Club because "I have nothing to hide as I have nothing sinister against anybody in my advocating the establishment of diplomatic relations between the two countries."

On the presence of African National Congress refugees in Lesotho, Mr Mofeli said Lesotho should request the OAU to take all ANC refugees out of Lesotho and re-settle them elsewhere in Africa, because Lesotho was weak and could not face attacks on her territory through their presence.

"We are committing national suicide by allowing ANC refugees to settle in Lesotho," he said.

Mr Mofeli was expelled recently from the Lesotho National Assembly because of his pro-South African attitude.

CSO: 3400/1741

UDM HITS ROLE OF COMMUNALISM IN ELECTIONS

Port Louis L'EXPRESS in French 15 Jul 83 p 7

/Text/ "It is becoming increasingly clear that the upcoming 21 August elections are assuming a communalistic aspect for both sides (MMM /Mauritian Militant Movement/ and MSM /Mauritius Socialist Movement/), and unless we too exploit communalism, it will be impossible for UDM /Mauritian Democratic Union/ to make an impact in these elections."

In these words Mr Guy Ollivry, head of the UDM, explained to a press conference yesterday why his party will not be participating in the 21 August electoral contest. According to Mr Ollivry, the UDM's role in the campaign will be to "help Mauritians insist that the political parties involved in the contest explain their immediate and long-term policy positions."

The UDM, with Ollivry as its spokesman, is urging that the prospective finance ministers for each of the two principal parties engaged in the 21 August contest--namely, Mr Paul Berenger and Mr Vishnu Lutchmeenaraidoo--engage in a one-on-one televised debate to "tell the people what kind of budget they should expect after the elections."

"We will refuse to vote unless we know what awaits us 2 or 3 weeks after the elections," said Mr Ollivry, who added that "these elections cannot be won by appealing to the worst in people." The UDM, moreover, is not presently instructing its members how to vote--it will closely follow the evolution of the campaign in order to find out which party "will tell the truth"--but it is urging those who do not intend to vote to betake themselves to the voting centers and cast a blank ballot so "no one votes in their place."

The UDM intended to run 15 candidates in 5 districts in the upcoming elections, but after studying the way the campaign has unfolded, UDM thinks that the elections have assumed more the character of a "settling of accounts between two wings of the MMM" rather than an opportunity for the people to take a real choice. Mr Ollivry noted that the UDM has always rejected communalism and consequently refuses to play the communal game.

The UDM leader believes most Mauritians are not communalistic, but are being manipulated by certain political leaders who are out to win the elections. The

people only become communalistic as a result of this manipulation. "When the politicians leave the people alone, there is no communalism," added Mr Ollivry, who cited as an example the village elections recently where an independent candidate came in at the head of the list in Triolet.

According to Mr Ollivry, voters "on both sides who fall into the snare of communalism" will come to realize quite soon after the elections that communalism does not pay and that "austerity should apply to all Mauritians." "Whichever of the two blocs wins, it is going to be necessary to establish a great national party, a truly Mauritian party, and this is where the UDM, with its credibility and its center-left program, will have a role to play. All this of course depends on finding new party workers and the means necessary to carry out this work of national reconciliation to a successful conclusion," said Mr Ollivry, who thinks that by running in next month's elections "the UDM would permanently disqualify itself from becoming the rallying point for those who, after the elections, will be seeking a new party of change to bring reform."

The UDM leader also criticized Mr Berenger for describing the prime minister and some MSM members as incompetents, while at the same time wondering whether the candidates running under the MMM banner today are not potential "turncoats and incompetents." But neither was he holding a brief for the MSM, which he criticized for trying to make the voters believe that all the austerity measures were solely the work of Mr Berenger, and that they themselves bore no responsibility. "Is it not time the politicians treated us as adults?" asked Mr Ollivry, before calling on political leaders to hide nothing from the people.

9516  
CSO: 3419/1115

MAURITIUS

SOUNDNESS OF SUGAR INDUSTRY EXAMINED

Situation Not Alarming

Port Louis LE MAURICIEN in French 20 Jul 83 p 5

[Text] "The sugar industry made profits of some 1.8 billion rupees between 1979 and 1982, thanks to the spectacular increase in prices of sugar and its by-products during the period, while cane and sugar production costs have experienced slight increases." This announcement was made before the Avramovic Commission on Monday by Jugdish Goburdhun, speaking in his capacity as secretary of the Mauritius Planters Association (MPA). According to Goburdhun, "the financial situation of the sugar industry is not as alarming as sugar 'magnates' would have people believe. The figures produced by the industry are exaggerated," Goburdhun said.

Accompanied by members of the MPA board and legal adviser Madun Dulloo, the negotiator for the Planters Association first situated the role of planters in the sugar industry, a role limited to the production of cane. In 1981, there were 33,347 planters growing 79,986 arpents [1 arpent = approx. 1 acre] of cane and producing 1,848,000 tons of cane. The 21 miller-planters harvested 3,455,000 tons of cane from their 105,502 arpents. Goburdhun accused mill owners of always "exaggerating" their production costs, their objective being to obtain a greater share of the sugar distributed and urge the government to lift the export tax. "The sugar magnates have always dominated the sugar industry with their money and influence, and planters within that industry had always been badly treated and exploited," he said.

The secretary of the MPA then explained the drop in area planted in cane belonging to small planters. From 1959 to 1979, there was a decline of 12,092 arpents, although miller-planters harvested an additional 17,859 arpents. Planters watched their sugar production increase 5.4 percent, the same rate recorded by miller-planters. Using figures and giving detailed explanations of the different items making up the production cost, Goburdhun said that planters with up to 25 arpents of cane make profits of 63.93 rupees (those producing under 20 tons of sugar) and 36.17 rupees (those producing over 20 tons of sugar). For planters owning over 25 arpents of cane and whose sugar production is over 20 tons, the estimated profit is 30.93 rupees per ton of cane.

In the memorandum it submitted to the Avramovic Commission, the MPA makes a detailed analysis, well-supported by figures, of the cane and sugar production costs of sugar establishments. It observes the following: "It is a well-known fact that in each factory area, mill owners or companies invest or diversify their money in other sectors or secondary industries. As the financing of all these secondary industries is made from the main industry, the profits realized are never added or computed in the income of the main sugar estate with factory. As a matter of fact, such investments bring large profits or dividends." In figuring the cost of producing sugar, it is noted that expenses listed as overhead are very high, these expenses being made for work having nothing to do with the manufacture of sugar! For the MPA, certain expenditures represent: 1) the princely salaries paid to upper management personnel; 2) paid vacations for these same employees; 3) extravagant "gratuities"; 4) luxury cars; 5) camps; 6) the raising of deer, fish, shrimp and livestock and the production of vegetables; 7) uncontrolled fuel consumption; 8) luxurious houses for upper-level management personnel; 9) the "higher staff private business" paid for by the sugar industry; 10) medical facilities; 11) the construction of homes for members of the staff; 12) the use of company cars by staff members; and 13) uncontrolled spending in the shops.

Geburdhun then estimated the profits made by the sugar industry from 1979 to 1982. For this fiscal year, the MPA distinguished between four categories of plants: Group 1: plants turning out between 15,000 and 25,000 tons of sugar; Group 2: plants making between 26,000 and 35,000 tons; Group 3: plants producing between 36,000 and 55,000 tons; and Group 4: those whose production is between 56,000 and 82,000 tons.

According to the MPA, the average cost of manufacturing sugar per ton of cane was 44.02 rupees in 1979, 51.58 rupees in 1980, 51.30 rupees in 1981 and 51.30 rupees in 1982. Income and expenditures for the last four years amounted to 1,801,827,107.55 rupees and 1,078,343,162.90 rupees respectively, or profits of 723,483,944.65 rupees. Regarding the cost of producing cane, income and expenditures amounted to some 3,398,055,876.67 rupees and 2,283,016,094.78 rupees respectively. Total profits amounted to 1,838,523,726.54 rupees.

The MPA recognizes that "the sugar industry is effective" and that the level it has now reached is due to advanced technology. "If the sugar companies wish to realize more profits, the solution is not in the reduction of the levy on the sugar export, but rather, on a substantial decrease in their overhead, general and town offices expenditures which contain exaggerated and superfluous expenses," it notes.

Geburdhun asked the investigative commission to verify the accounts of the sugar industry and submitted the names of four plants that should be studied: Feufac, Belle Vue, Beau Champ and FUEL (or Britannia, Savannah, Medine and FUEL). The MPA is surprised that the plants belonging to Harel Brothers, Ltd. (Soltitude, Belle Vue and Beau Plan) only realized profits of 1.3 million rupees in 1979, while nearby plants, Mount and Mon Loisir in particular, declared profits of 8.8 million and 12 million rupees respectively for the same year. According to the MPA, Harel Brothers, Ltd. made profits of 26.1 million rupees in 1979 and 34.9 million rupees in 1980 (instead of losses of 7.6 million, as it announced).

## Growing Debt of Sugar Industry

Port Louis L'EXPRESS in French 21 Jul 83 p 6

[Text] "The sugar industry's debt at its highest level -- that is, in July and August of each year -- has steadily increased from 170 million rupees in 1976 to 538 million rupees in 1982. These figures reflect the sad fate of the industry," Yvan Lagesse, acting president of the Mauritius Bankers Association, said yesterday before the commission investigating the sugar industry. Lagesse had been invited to address the group.

Lagesse, who is also one of the directors of the Commercial Bank, explained that if one considers that an average cutting is now worth 2 billion rupees, one has to realize that the maximum sums borrowed by the sugar industry, compared with income from a normal harvest, have increased from some 8.5 percent to nearly 27 percent over the past 7 years, without mentioning the fact that the industry has had to borrow for medium and long periods of time.

Lagesse mentioned the three main types of loans effected by the sugar industry: crop loans (of which we shall speak further on, generally repaid after a year); medium- and long-term loans for the purchase of equipment or development investments; and finally, loans contracted abroad. (All the figures given by Lagesse are taken from the consolidated statements of 12 commercial banks operating in Mauritius, as prepared by the Bank of Mauritius, and the figures for crop loans include advances made to all categories of borrowers in the industry.)

To illustrate the deterioration of the financial situation of the sugar industry from 1976 to 1982, Lagesse submitted the following picture concerning the lowest and highest levels of the crop loans:

Advances to the Sugar Industry (in millions of rupees)

<u>Calendar Year</u>	<u>Low</u>	<u>High</u>
1976	59	170
1977	162	299
1978	193	333
1979	319	400
1980	178	417
1981	224	504
1982	386	538

"This picture shows that the lowest figure of 59 million rupees, going to 386 million rupees, was realized over the past 7 years. It also shows that despite the fact that the 1979 devaluation reduced loans of 319 million rupees to 178 million, the different increases in production costs and taxes, when added to the poor harvests, helped increase the debt of the sugar industry to 386 million rupees in 1982," Lagesse said.

According to the Bankers Association representative, loans of some 25 percent of the expected receipts are not an alarming factor in most other industries, but in the sugar industry, they have troubling implications.

"On the one hand, there is no longer a complete annual repayment of the sum borrowed and a large balance is left which increases year after year. In addition, most of the sugar mills have accumulated losses for several consecutive years and the banks are not supposed to finance losses," Lagesse commented.

Going to the medium- and long-term loans, Lagesse said that they amounted to 160 million rupees in 1981, but that they have now totaled 240 million rupees. There have been no development projects in the meantime and the increase is partially due to the fact that the crop loans had to be medium- and long-term loans spread out over as much as 5 years in order to help the sugar industry and partly because payments on existing loans were postponed.

In some cases, in which repayment possibilities were not foreseeable for several years, the banks were forced, to their great regret, to ask customers to sell non-sugar assets and even to sacrifice some land, which was parceled.

With foreign loans totaling some 30 million rupees, the total debt of the sugar industry amounts to 808 million rupees maximum and 656 million minimum in 1982 and Lagesse concluded that in banking circles, it is considered that a debt of 20 to 25 percent of the receipts from a harvest is a reasonable proportion that should generally not be exceeded.

#### Sugar Producers Refute Planters

Port Louis L'EXPRESS in French 21 Jul 83 p 6

[Text] Herve Koenig, director of the Mauritius Sugar Producers Association (MSPA) made a statement before the Avramovic Commission yesterday concerning the arguments and figures presented to it on Monday by the Mauritius Planters Association (MPA), represented by Secretary Jugdish Goburdhun (currently minister of health).

The essential parts of Goburdhun's report were published in the Tuesday edition of L'EXPRESS under the headline "Harsh Criticism of Sugar Magnates by the MPA."

Among other things, the MPA believes that the sugar industry realized net profits of 1.8 billion rupees from 1979 to 1982.

Koenig's statement was made yesterday in the absence of Goburdhun. The secretary of the MPA was to continue his report yesterday morning, but was excused because of illness.

We are publishing Koenig's statement, according to which he and the MSPA are in total disagreement with the figures of the MPA, figures they cannot reconcile with their own. [Original in English]

Mr Chairman:

On the 18th July, the Mauritius Planters Association deponed [sic] before the Commission of Enquiry and we would like to make a statement on what has been said before the Commission.

1. Mr Goburdhun said that figures concerning the cost of production of millers are not available and are "top secret," yet Mr Goburdhun is in possession of such figures.

We would like to mention that detailed figures relating to costs of production have always been made to the Government. They are not published because it is not in the interest of the country that our competitors be aware of our cost of production.

By the way, we are the only organization who makes available to the authorities detailed figures concerning the cost of production.

2. As for the comparison between the figures per companies' audited accounts and the MSPA's consolidated revenue and expenditure statement, these figures have been reconciled and the reconciliation has already been submitted to the Commission of Enquiry. The main reasons for the difference observed are the treatment of depreciation and the fact that the MSPA consolidated figures deal with sugar activities only.

3. We observe that the Mauritius Planters' Association has overstated consolidated MSPA members' revenue by 12.6 million rupees in 1979 and 68 million rupees in 1981, while the consolidated revenue has been understated by 1.6 million rupees in 1980. We cannot reconcile these figures.

4. On the expenditure side, expenses have been grossly understated and we totally reject their figures.

The difference between the MSPA figures and those of the Mauritius Planters Association are as follows:

	MSPA Rs (M)	MPA Rs (M)	Difference Rs (M)
1977	1,142.5	813.2	329.3
1980	1,379.9	728.6	651.3
1981	1,561.4	843.2	718.3
Total	4,083.8	2,385.0	1,698.9

The total discrepancy over the above period amounts to 1.7 billion rupees and we would like to know how the Mauritius Planters Association explains the diversion of such a huge sum.

To illustrate how frivolous is the manner in which the MPA has computed its figures, we would like to make one observation:

The MPA claims that the expenses of sugar estates with factories were 843.2 million rupees in 1981 as compared to 813.2 million rupees in 1979, that is, an increase of only 3.7 percent, while in the meantime we have had two major devaluations (30 percent and 20 percent), coupled with a high rate of inflation.

PROBLEMS OF NATIONAL SUGAR INDUSTRY REVIEWED

Port Louis L'EXPRESS in French 3 Jul 83 p 6

[Editorial by Yvan Martial: "Waiting for the Death of the Sugar Industry"]

[Text] On that Sunday, the local moviehouse in a little provincial town in France was showing a documentary pertaining to the island of Mauritius. After the traditional shots showing Port Louis and the main beach resorts, the Jardin des Pamplemousses (Grapefruit Garden), the blue mountains dear to Malcolm de Chazal, and the emerald ocean of the cane fields, the movie camera focused on the various religions established in Mauritius. The audience followed these images with a wandering eye, probably saying to themselves that this Sunday it was Mauritius, and that the next Sunday it would probably be the Maldives Islands or Bali. Even the firewalkers aroused no special interest until one of the participants in the ceremony, probably due to insufficient preparation, burned the soles of his feet and limped in haste from the carpet of glowing coals. The audience began to scream with fright in a single voice. The shots of the other participants remaining deliberately on the burning charcoal became intolerable, and the audience screamed with new vigor. It was necessary for someone to burn himself before the audience took the reality of this ancestral rite seriously.

This cinematographic recollection came to my mind when I learned of the speech delivered in Britannia Tuesday by Minister of Agriculture Kishore Deerpalsingh in connection with the 1983 harvest festival. Like the spokesman for the preceding regime, Deerpalsingh in turn intoned the well-known refrain about "the sugar industry, the spinal column of the island of Mauritius."

Despite the tidal wave of 11 June 1982, nothing has therefore really changed for this sector in Mauritius. The year continues to be divided into two unequal periods: 1 day for singing the praises of the sugar industry (during the harvest festival) and the other 364, during which it is criticized, slandered, sullied, libeled, attacked, demolished, belittled, vilified, pointed out, held up to public ridicule and obloquy, in brief, transformed into the favorite scapegoat.

In Britannia on Tuesday, Deerpalsingh was charming. He behaved most graciously toward an old lady currently experiencing serious difficulties. But his statements could not erase the memory of those last year, in which the sugar industry and the private sector were accused of showing favoritism and

thinking only of their profits rather than the higher interests of the nation.

Nor could the official statements heard in Britannia on Tuesday erase the memory of the speeches hostile to the sugar industry delivered to the Legislative Assembly by Harish Boodhoo, and taken up again on the front page last March by his party's organ, LE SOCIALISTE. The former leader of the PSM [Mauritius Socialist Party] claimed, among other things, at that time, that racism, the exploitation of man by man and contempt for the little people still prevailed within a sugar industry whose barons gorge themselves on "chatini of deer."

And how, moreover, can the threat of expropriation put forth in Belle Rose by the prime minister after the reestablishment of the 75 percent surcharge on the tax applicable to the sugar exports be forgotten? How can the announcement by Lutchmeenaraidoo that, the Avramovic Commission notwithstanding, this 75 percent surcharge would be maintained--doubtless because in the realm of electoral one-upmanship, the politicians have not as yet invented anything better--be forgotten? But this will come...

It was very agreeable of Deepalsingh to make mention of the merciless competition prevailing on the international sugar market, and to go on to discuss the urgent need for the Mauritian sugar industry to invest, in order to finance the technological changes which will guarantee its efficiency and competitive capacity. However, the reality is different.

The production infrastructure of this sector is hopelessly antiquated, and the day is not far off when, like a number of other sugar-producing countries in the Third World, Mauritius will see its sugar production beginning to decline year after year. It is a sign of the times that our last record year was back in 1973. It has been 10 years now that we have not been capable of breaking the 700,000-ton barrier again. One must be a politician to have no fear of these blinking red lights.

A reasonable line must be established. The sugar industry, left to its own devices and having to row against the current, could never nurture an insatiable parasite state, pay better wages to its employees, repay its debts, reestablish its reserves and invest in ever more costly equipment the price of which can only be partially deducted from the tax on income, all at the same time.

For the time being, sugar is not oil, and for it to become like that, researchers and research are needed. Now in the research sector, I would be very surprised if the cadres at the Mauritius Sugar Industry Research Institute (MSIRI) still had any heart for their work, after the striptease the politicians imposed on them a year ago in connection with working conditions.

Deepalsingh also talked about the need for an atmosphere of political stability, as if an electorate which gave a 60 to 0 majority to an MM/PSM alliance could be held responsible for the present political chaos leading up to early general elections.

It is symptomatic that in this year of drought and fires in the sugar cane fields, Deerpalsingh should launch into a song about the impossibility of maintaining the irrigation program of earlier years. But whimpering does not suffice. It is further necessary for the state to encourage sugar producers to irrigate their fields as they should. Now, there is not even a shadow of fiscal incentives in view for those who would like to invest today in this drip system technique of tomorrow. Moreover, we are still waiting for government aid to those who were eager to irrigate their fields by the traditional aerial method, but whose enthusiasm was cooled by the exorbitant electrical energy rates. The sugar producers have no need of words, however comforting they might be, but need aid and support instead. But there will be neither. In these days of electoral one-upmanship, I challenge any politician to propose the least concession to these sugar industry capitalists. All of the sugar cane fields are likely to perish instead.

Finally, all of this is the fault of the sugar industry itself. Its only crime derives from the fact that it is not willing to die. It refuses to play the role of Henrietta Maria of England, of whom Bossuet said, in delivering her funeral elegy: "Madame is dying, Madame is dead!" On the contrary, like Mr Seguin's goat, the sugar industry is certainly dying but it is not dead. Its interminable death throes no longer cause the people of Mauritius to run hot and cold. As in the documentary mentioned at the beginning of this article, one or more sugar establishments must die a natural death, with all its train of repercussions for the state before the employees and the neighboring villages and the entire island of Mauritius, beginning with the sugar cadres, will finally come to believe in the misfortunes of this sector, vital though it is. Deerpalsingh has spoken.

A month ago, a parliamentary committee provided us with a fine report on the separation of the Chagos Archipelago from the territory of Mauritius. The members of the committee adequately demonstrated the extent to which the politicians in the 1965 era as a whole bypassed this basic problem, because they were too concerned with the electoral ambitions of the time. The arguments put forward by those responsible for this sell-off are pitiful, and would anger a sixth-form student. But do today's political leaders realize that in 20 years, they will have to explain why they let the sugar industry die by inches in the 1980s? Our children and grandchildren will then hear the same sorrowful lament: "We did not know that what we were doing was so serious. We did not know that when we killed the goose, we would have no more golden eggs." But let them be reassured. Until there is proof to the contrary, we will continue to believe that the sugar industry is immortal, and that it will always find a way of satisfying the most extravagant whims of the politicians. Just as in 1965, no one, or almost no one, gave a fig about what was happening in Diego Garcia, today everyone is unconcerned about what is happening or is not happening in the sugar industry. For to believe that 20-some articles in the domestic and international press devoted to the military base on Diego Garcia sufficed in 1965 to mobilize the people of Mauritius against the risks of dismemberment of the territory of Mauritius is to suggest that 20 or so press conferences held by the Mauritius Sugar Producers Association will suffice today to sensitize the people of Mauritius to the dangers of the intolerable indebtedness of the sugar industry and its

asphyxiation due to the export tax. The sugar industry is still alive, and thus must be in good health. When it dies and then only will anyone believe in the authenticity of its cries for help.

Thus one should see no gleam of hope in Deerpalsingh's speech. Visibly, it was drafted at the Ministry of Agriculture. The sugar industry should be pleased, for it might well have been drafted at the general headquarters of the MSM [Mauritius Socialist Movement].

The diagnosis set forth by Deerpalsingh is not a bad one, and is similar in its main aspects to numerous others set forth earlier along the same lines. But we still have our doubts that the present politicians are sincerely desirous of guaranteeing the progress in development of the sugar industries. In a few years we will be the impotent witnesses to the rush for the spoils of sugar-producing countries which are more competitive than Mauritius. They will compete for the hundreds of thousands of tons of sugar which we will no longer be able to supply to the EEC. Just a bit more patience, and in a few years the island of Mauritius can offer for auction 500,000 tons of sugar, sharing in a privileged quota, etc.

But while waiting for the politicians to finish killing off an industry 2 centuries old, Deerpalsingh is not far short of his supreme goal: ensuring that "agriculture regains its place as the Achilles' heel (sic) of the national economy" (LE SOCIALISTE, 1 February 1982).

5157

CSO: 3419/1076

MOZAMBIQUE

JOINT COMMISSION COOPERATION PROJECTS

Maputo NOTICIAS in Portuguese 20 Jul 83 p 8

[Text] The proceedings of the Portugal-Mozambique Joint Commission have broadened the prospects for cooperation between the two countries; projects were confirmed which had been under study for several years and actions were undertaken to determine the feasibility of joint programs in various sectors, to the benefit of both countries. Prakash Ratilal, governor of the Bank of Mozambique, so reported to us on his return from Portugal, where he took part in the meeting of the Joint Commission last week in Lisbon.

The governor of the Bank of Mozambique added that during the commission proceedings there was agreement on various economic issues, as well as on items related to the glass manufacturing project in Mozambique, primarily the rehabilitation of the factory "Vidreira de Mocambique, with technical and financial support from Portugal, in association with Italy.

Another point discussed with positive results concerned joint undertakings in various fields, particularly those of tobacco, cotton, sisal, fishing and grains.

An agreement was signed providing financing amounting to about \$10 million (equal to 1 million Portuguese contos) to cover the transferrable portion of the salaries of Portuguese cooperants in Mozambique.

Referring in general terms to the proceedings of the Portuguese-Mozambican Joint Commission, the governor of the Bank of Mozambique described them as going well, since there was a successful discussion of items on the agenda and useful work was accomplished toward bringing about excellent bilateral and multilateral cooperation.

Cooperation agreements were also signed by the National Civil Engineering Laboratory and the Institute of Economic Cooperation with the National Engineering Laboratory of Mozambique, as well as an agreement in the field of meteorology.

During the commission proceedings, a contract prototype was approved for short-term cooperation activities, especially in the area of education. In that same field, there are plans to send more teaching cooperants to Mozambique.

In the health field, it was agreed that various Portuguese specialists would come here to analyze the "Mozambican ophthalmological profile," to facilitate treatment of eye ailments.

There was also some discussion of actions to strengthen the cultural ties between the two peoples.

At the end of the proceedings of the most recent session of the Joint Commission, the two delegations agreed that the next meeting would be held next year in Maputo. The commission met last week in Lisbon for 4 days, at the end of which the governor of the Bank of Mozambique signed a joint communique with Portuguese Foreign Affairs Minister Jaime Gama.

6362  
CSO: 3442/315

MOZAMBIQUE

NETHERLANDS DREDGING EQUIPMENT FOR BEIRA PORT

Maputo NOTICIAS in Portuguese 20 Jul 83 p 8

[Article by Rogerio Sitoé]

[Text] The possibility of improving dredging operations at the port of Beira has now been assured, with the arrival in the Sofala Province capital, on 30 June, of a modern dredge. Our country acquired the dredge from the Netherlands in connection with the port projects of the SADCC [Southern African Development Coordination Conference].

NOTICIAS learned from the director of EMODRAGA [Mozambican State Dredging Enterprise] in Beira that the dredge, named "Sofala," can operate to a depth of 15.5 meters. Its scoop can take up 4.5 cubic meters of sea and river impurities, 6 times the capacity of the dredge "Anjeje," which is currently being repaired.

The "Sofala" will be used primarily to dredge the silt from along the quays, the Chiveve dock and the fishing quays, where major silting occurs regularly, often forcing vessels to anchor at some distance from the port when the tide is low.

The "Sofala" is 35.6 meters long, 11.4 meters wide and 2.45 meters high. It has cabins, a refrigerator and other items for the workers' comfort, as well as modern equipment making it possible to dredge about 10,500 cubic meters per week.

According to the EMODRAGA official in Sofala, when it is in full operation, the dredge must be accompanied by two barges, on which to deposit the silt, sand, rubble and other impurities dredged from the sea floor, and also a tugboat.

A team of Mozambican workers from EMODRAGA returned recently from the Netherlands, where they were specially trained in the use of the modern dredging equipment aboard the "Sofala," which should go into operation within the next few days.

In the opinion of the EMODRAGA director, although the "Sofala" cannot be used to dredge the channel, "because it will enable us to keep the port cleaner and hence improve the anchorage for both fishing vessels and cargo ships, it is certainly a valuable purchase, considering the strategic importance of the port of Beira, not only for our country but for the SADCC."

6362  
CSO: 3442/315

MOZAMBIQUE

YUGOSLAVIA DONATES TELEVISION SETS, RADIOS

Maputo NOTICIAS in Portuguese 8 Jul 83 p 5

[Text] Some 60 radios and 25 television sets will soon be distributed to Mozambican villages and districts, Information Minister Jose Luis Cabaco announced yesterday. The equipment is a gift of the Socialist Federal Republic of Yugoslavia.

Our information minister announced the decision in a symbolic ceremony yesterday morning in Maputo, honoring the receipt of the radios and television sets. The ceremony was attended by Murat Agovic, Yugoslav ambassador to Mozambique, officials of the Ministry of Information and representatives of the national news organizations and the media.

According to Minister Cabaco, the 60 radios will be distributed to public listening centers which have been or will be created through the project of the Office of Public Communication. These public listening centers exist or will exist in communal villages and districts.

The 25 television sets will go to public aid centers in districts of the capital.

According to the minister, the radios and television sets will give the public greater access to information, both in the cities and in the interior.

"This gift," said Ambassador Agovic, "is another modest expression of the sympathy, friendship and solidarity which the Yugoslav people have always felt for the Mozambican people."

Noting that Yugoslavia and Mozambique are socialist, nonaligned and developing countries, the ambassador declared that his country highly regards and will continue to support Mozambique's immense efforts to build a new and prosperous society.

He also assured that Yugoslavia will always be prepared to assist in Mozambique's efforts to maintain and strengthen its independence despite the continuing undeclared war waged by the South African racist regime.

Expressing thanks for Yugoslavia's gesture of friendship, the information minister recalled the disinterested and firm support of that socialist country to the Mozambican people, dating from the armed struggle for national liberation.

He also noted that some of the first films shown by FRELIMO in the liberated zones during the armed struggle had been made by Yugoslav cinematographers, and had enabled broader dissemination of the goals of the Mozambican people's struggle for liberation.

Minister Cabaco referred to the contacts and discussions between officials of the two countries in the information field, specifically during the Conference of Nonaligned Countries and in UNESCO meetings and visits exchanged within the framework of a more general cooperation program between Mozambique and Yugoslavia.

6362  
CSO: 3442/315

MOZAMBIQUE

BRIEFS

NORWAY TO FINANCE POWER PLANT--Fernando Juliao, general director of Electricidade de Mocambique, announced Tuesday that the governments of Norway and the People's Republic of Mozambique will sign an agreement within days in Maputo, regarding financing and technical support for the Cuambe power plant. According to the same source, the construction will be directly supported by NORAD (Norwegian Aid Organization), with technical supervision by the NVE [expansion unknown], and should be completed in 3 years. The project is budgeted at 47 million Norwegian kroners (about 255,000 contos in Mozambican currency). Signing of the agreement is pending the arrival in our country of a government delegation from that Nordic country. Juliao added that the Norwegian participation in the construction of the Cuamba hydroelectric plant is within the framework of the cooperation accord between the two countries in the energy field. That accord has been extended for 5 more years after its expiration date next January. [Text] [Maputo NOTICIAS in Portuguese 7 Jul 83 p 1] 6362

DELEGATION VISITS UZBEK SSR--Soviet-Mozambican Friendship Week is taking place in the Uzbek SSR (in Central Asia). The Mozambican delegation has gone to Samarkand and Bukhara, one of the oldest cultural centers of Central Asia. Bukhara is world famous for its marvelous architectural monuments. Today, however, Bukhara is also a modern industrial city, whose factories are producing synthetic fibers, cement, household appliances and pesticides. The Mozambican representatives were welcomed by the workers at the gold embroidery factory in Bukhara, which produces the "tiubeteika" (the national headgear), shoes and women's jackets. Nadia Rakhmanova, director of the factory, told the members of the Mozambican delegation that most of the employees there are women. The factory was opened in the 1920's, after the Soviet government was established in the Uzbek republic. At that time the factory was located in a small house and had a few dozen workers. Today, the gold embroidery factory is in a modern building, with hundreds of embroiderers employed in its workrooms, where the work has been increasingly automated. The Mozambicans visited the workrooms and observed the embroiderers at work, learning from them about their working and living conditions. Esperanca Machavela, secretary of the Mozambican Association for Solidarity Among Peoples, discussed the implementation of the resolutions of the Fourth FRELIMO Party Congress. She noted that great attention is given to hand crafts in Mozambique. "We know that many Uzbek hand crafts have had a renaissance in the Soviet era," Machavela said. "We feel we could share experiences in this area." The delegation members signed the guest book at the factory. [Text] [Maputo NOTICIAS in Portuguese 2 Jul 83 p 1] 6362

PORUGAL DESIRES STRONGER TIES--Jaime Gama, the new Portuguese foreign affairs minister, has sent a note to his counterparts in Mozambique, Angola, Cape Verde, Guinea-Bissau and Sao Tome e Principe, expressing a desire to intensify relations. Contacted by NOTICIAS, a source in the Mozambican Foreign Affairs Ministry confirmed the receipt of the message by Joaquim Chissano, chief of Mozambican diplomacy. In the 12-line message, Minister Gama wrote: "The Portuguese Government will continue to pursue a policy of intensifying and strengthening friendly relations." The Portuguese minister also stressed the desire to intensify and broaden relations between his government and the African countries in which Portuguese is the official language. The message was sent following a luncheon which Gama gave for the ambassadors of the aforesaid countries last week in Lisbon. [Text] [Maputo NOTICIAS in Portuguese 1 Jul 83 p 1] 6362

CSO: 3442/315

NAMIBIA

BRIEFS

OVAMBO ADMINISTRATION MALPRACTICES--WINDHOEK--The Attorney-General of South West Africa, Mr Don Brunette, has instructed police to investigate alleged malpractices in the Owambo administration. The decision follows the release of an interim report of the Thirion Commission of Inquiry into alleged mal-administration in SWA. The Commission, chaired by Mr Justice P W Thirion of Natal, has dealt to date with the second-tier ethnic authorities of the Owambos, Hereros and Damaras. Interim findings have not been released for publication. In a statement published in Windhoek yesterday, Mr Brunette said he had decided to instruct the police to take action where evidence led before the Commission indicated the possibility of criminal liability. "It is my duty to warn all interested parties--that is to say, public officials, politicians and the private sector--that the type of conduct exposed by the Commission will not be tolerated," he said. "No-one is beyond the law. It is the duty of all people charged with the control and expenditure of public funds to ensure that they comply with the laws and stipulations regulating their positions of trust." [Johannesburg THE CITIZEN in English 3 Jul 83 p 15]

CSO: 3400/1741

SENEGAL

BRIEFS

FISH EXPORTS INCREASE--The fish harvest in 1982 was 223.371 tonnes, against 214.371 tonnes in 1981, according to the daily Soleil. Exports of fish in 1982 increased by a much larger proportion, however, 28 per cent, to 91.742 tonnes, bringing in nearly 48.000m. CFA. Although small scale fishing remained in 1982 the major method of landing the harvest (140.343 tonnes), industrial fishing increased its share by 25 per cent, to 83.028 tonnes. Claude Harel, the new French Ambassador, has arrived in Dakar to take up his post. As an indication of importance Paris attaches to Dakar representation, M. Harel was formerly Ambassador to Washington. [London WEST AFRICA in English No 3441, 25 Jul 83 p 1741]

ROUND TABLE SUGGESTION--Abdoulaye Wade's Parti Democratique Senegalais (PDS) has suggested a "Round Table" of all the political parties to discuss the economic problems facing the country. The PDS has refused to take up the eight seats it won in last February's elections because it says there was widespread cheating. It won eight out of 120 seats, according to official results. The authorities have sent some of the Niger students who occupied their Dakar Embassy in April back to Niamey, according to the Paris-based Afrique Info-Plus. The protesting students were acting in solidarity with their col- [Excerpt] [London WEST AFRICA in English No 3440, 18 Jul 83 p 1686]

CSO: 3400/1726

SOUTH AFRICA

CISKEI ASSEMBLY ACCUSES SA OF BREAKING PROMISES

East London DAILY DISPATCH in English 22 Jul 83 p 18

[Article by Owen Vanqua: "Ciskei Acid With SA Over Land and Money"]

[Text]

The Ciskei National Assembly dug in its heels during the past session, more than any other in the past, on issues on which it is at odds with South Africa.

The issues it was most acid about were land, resettlements and the budget allocated to it by the South African Government.

On land and resettlement issues South Africa was accused of breaking promises in that all the land which South Africa had promised to Ciskei by December last year was not handed over. It was also claimed South Africa had promised not to do any resettlements without the knowledge and consent of the Ciskei Government and yet a resettlement area was being raised at Seymour.

Members were impatient with South Africa in handing over promised land and called for the restoration of all land that formerly belonged to their forefathers from the Indian Ocean to the Stormberg mountains and from the Fish to the Kei Rivers.

They claimed the land question was aggravated by the dumping of people by South Africa in land-hungry Ciskei, causing more conges-

tion.

Ciskei was also bitter about the leasing of released farms to white farmers while Ciskei veld was overstocked and bone dry. This led to threats to impound white farmers' cattle on these farms. The threat, however, was never carried out and the matter was settled amicably, according to the then head of the Ciskei combined forces, Lieutenant-general X. C. Sebe, who at one time said he was mobilising his forces.

This year's budget of R300 million was also slammed as inadequate. The Vice President, the Rev W. M. Xaba called it a disgrace. The shortage of funds was raised by all government departments.

Twenty-three bills were passed in the assembly — the first session to be held in the imposing new buildings which were presented to Ciskei by South Africa in the future capital city of Bisho.

One was the Tenure of Office of the President Bill, which makes Chief Sebe life President — the first and only life President in Southern Africa. The bill was introduced by piloting a motion calling on Presi-

dent Sebe to be made life President for his contributions to the development of Ciskei. The motion was unanimously adopted.

President Sebe's bust was unveiled in front of the assembly buildings at the official opening of the session.

There was also the National Assembly Bill on the Rules of Procedure. It gives the assembly powers to sit as a court of law to punish by fine or imprison any person who acts in contempt of the assembly.

Also important was the Promotion of Tourism Bill whose object is to develop and promote the tourist industry in Ciskei.

The standard of debates was generally high and members were enthusiastic and motivated. The new Minister of Justice, Mr D. M. Takane, and the former Minister of Internal Affairs, Mrs F. F. Matiyase, were impressive. Mr Takane was factual and brief and to the point.

The Deputy Whip, Chieftain D. N. Mavuso, contributed more than any other member.

Although the majority of members contributed to the debates some never opened their mouths except during the sing-

ing of the Lord's Prayer during the morning prayers. Most of the silent members were chiefs.

The Cabinet Ministers came across well except one or two who had difficulty in reading their speeches.

Many queries were raised during the discussion of the policy speeches of the Department of Agriculture and the Department of Internal Affairs and Land Tenure, and were not answered by the respective ministers.

A frontbencher and brother-in-law of the Sebe brothers, Chief S. M. Hebe, was one of the vociferous and fiery contributors. His language at times was robust. Calling for the silencing of Radio Xhosa in the Ciskei, he said it should 'voetsak'.

The chairman of the Committee on Standing Rules and Internal Matters, Chief J. T. Mabandla, who is Minister of Posts and Telecommunications, was strict in preserving the procedure and decorum of the house. He would stand up whenever he saw something not in keeping with the decorum and always saw to it that high standards were maintained.

Caucus meetings always took a long time and sometimes lasted

until lunch time with reporters waiting for the proceedings to begin in the assembly.

The jocular Speaker, Mr C. Ngxwana, amused the house with his jokes, terms and English accent.

Observers lamented the absence of opposition in the assembly. The customary vote of no confidence in the government was not there because there is no opposition in Ciskei. There was little criticism of the government.

Mr Xaba criticised the Department of Internal Affairs during the discussion of its policy speech and retracted his statements the following day after a long caucus meeting.

An opposition and constructive criticism is always beneficial to any government. It acts as a mirror for the government to see if everything is in order.

Discussions in the assembly took a monotonous direction with speakers "commending or praising" the Ministers or the government for one thing or another.

Observers believe that, since Ciskei has only one party, it should allow self-criticism and that members should be free to point out any wrongs they see.

CSO: 3400/1738

## GILIOMEE EXAMINES PROPOSED CONSTITUTION

Johannesburg SUNDAY TIMES in English 24 Jul 83 p 30

[Article by Hermann Giliomee: "The Road to Dictatorship Is Paved With Good Intentions"]

[Text]

**CONSTITUTIONAL** debates tend either to bore one stiff or frighten one to death. The debate on the proposed new constitution has the rare distinction of doing both.

On the one hand, it is almost a non-debate: almost all the participants agree that the proposed constitution is deeply flawed.

On the other hand, this may be the last chance South Africa has to seek greater stability by broadening the democratic process.

Instead, the absence in the proposed constitution of tried institutions and democratic procedures to resolve conflict, and the failure to provide a popular base for the key office, the Presidency, raise real fears about the direction the constitution will take our country.

There is little sense in exchanging a white semi-democracy for a dictatorship decorated with a few dabs of colour.

### The main defects.

The main defects of the constitution can briefly be restated:

• The constitution rests on group identities which are legally imposed and enforced — the surest way of perpetuating racial conflict.

- The fixed 4:2:1 numerical ratio of white, coloured, and Indian representation in Parliament makes it impossible for genuine cross-racial coalitions to develop.

- It introduces coloured and Indian representatives into Parliament in such a manner that they will be unable to change the apartheid structures built into the constitution itself, but will be held responsible for whatever Parliament decides. They could thus be out-radicalised by their own communities.

- It excludes Africans and thus destroys the middle ground in our urban townships. Already Chief Buthelezi has decided that Inkatha, the only credible internal black alternative to the ANC, will not contest the elections for the new black local authorities.

- The authority crisis building up in our black townships, where South Africa's real problems lie, can directly be linked to the polarising effects of the new constitution.

● It has united the home-land leaders in a coalition against the plan, with even Transkei's Matanzima prepared to abandon some of the pretensions of independence.

## Right direction

South Africa has come a long way if a constitution that alienates non-revolutionary Africans can be considered a step in the right direction.

Despite this, government spokesmen and verligte academics advance the idea that the constitution represents a step in the right direction.

The argument goes as follows: the process of reform has only just started and the constitution cannot be judged on the present plan only. As the process unfolds it will become easier to rectify the evident constitutional defects.

Most Afrikaners and English-speakers will come together in a National Party-led reform coalition as whites learn to strike bargains with their coloured and Asian counterparts.

## Good intentions

Gradually, it will become feasible to draw in the Africans as well. To clinch this argument it is emphasised that the P W Botha government is imbued with good intentions to make the constitution work and that all kinds of unintended good will follow once the process gets off to a good start (while if they are thwarted a conservative backlash is the assured alternative).

All that stands in its way is the "radical far left" — presumably the few hard-liners in the PFP and that most minute faction, the orbeligtes (all three of them)

This faith in good intentions and unintended conse-

quences looks hopelessly misguided when measured against the sad facts of South African political and constitutional history.

The founding fathers of the Union of South Africa (with the possible exception of Onze Jan Hofmeyr) worried little about the future implications of the compromise on the franchise provisions as a blatant act of political discrimination against nonwhites.

In the view of Smuts, Botha and Merriman this would not be permanent but would disappear as whites became better educated and acquired more political acumen.

South Africa would be a white man's country, but one imbued with the proper spirit of trusteeship — and we know what became of that.

When Africans were removed from the voters' roll in 1936 and given a separate, inferior citizenship, Smuts shed few tears.

The "right direction", in his words, were separate native councils, elected by the Africans coupled with a proper exercise of white trusteeship "in harmony with our religious and political ideas".

The Native Representative Council finally foundered a decade later. It helped little that the second most powerful man in the cabinet was J H Hofmeyr, someone with impeccably liberal good intentions (Mr Heunis today is in some respects his verligte counterpart).

The limited form of self-government granted in 1959 to Africans in the homelands, became after 1976 the grounds for depriving them of their South African citizenship.

This was held up as the "logical consequence" of the 1936 provisions granting more land to the reserves, but it was of course never intended at that time that this could be considered as a substitute for South African citizenship. Talk of unintended beneficial consequences!

The story with respect to coloured political rights is much the same.

Despite the charges by General Hertzog of "infidelity" and the betrayal of the trust of the coloured in the word of the white man, Malan's Nationalists eventually went ahead and removed the coloured people from the common roll in the 1950s.

## 'Obliged' to negotiate

Many Nationalists at the time expressed their good intentions of making separate representation a better deal for coloured people than common roll representation. But separate representation was abolished in the 1960s to start a new "growth point", the Coloured Persons' Representative Council.

A decade later that too was abolished.

The fact that the coloureds are now brought into Parliament in a junior, segregated capacity is undoubtedly an advance on that, but few noticed that the coloured representatives will not have the control over the executive they enjoyed in the CPC and which they used to good effect.

When the Labour Party leaders last year insisted on this being built into the new constitution they were told by Cabinet Ministers that the President would be "obliged" to negotiate with the leader of the coloured chamber.

## Only real verligtes

Again the process of constitutional development will rest on promises and good intentions instead of political rights and constitutional decree.

Some verligte politicians and academics will try to counter with the argument that reform really only started with the coming to power of Mr P W Botha.

**Let there be no mistake.** Although he has been far stronger on rhetoric and symbolism than actions, Mr Botha (and Mr Heunis) deserves credit for identifying reform as a prerequisite for (white) survival.

They may indeed be the only real verligtes in the Cabinet and it could factually be true that the constitution is the maximum they could get past their colleagues in the caucus.

## **Give them their way**

In view of this, some people, otherwise opposed to the constitution, have come to believe that the Botha-Heunis team at least offers some hope for reform and that it is best to give them their way, lest the Botha-Heunis team be deposed, all constitutional reform be ditched and the National party revert to old-style apartheid under leadership of Mr F W de Klerk.

This assessment looks like a recipe for a huge political hangover. From 1977 onwards the National Party has tried through various means to build consensus as a preliminary to a new constitution.

Mid-1983 finds the National Party wholly isolated in this constitutional quest. The proposals have been rejected by everyone, from the Conservative Party and Sabra to the PFP, Buthelezi and the alliance of homeland leaders, while even the Broederbond cannot come out in clear support or give any definite lead to its members.

Even within the party the Botha-Heunis team has only lukewarm support: a large proportion of members and even Cabinet Ministers appear to be far from committed to make the plan work effectively as a reformist measure.

Everyone with the most rudimentary grasp of South African politics should know that an Afrikaner Nationalist President, even with indisputably good intentions, would make it his highest priority in a period of reform to prove to his Cabinet and caucus that the constitution will not be used in any way which would increase Afrikaner fragmentation.

Secondly, the new constitution will bring a vital element of uncertainty into the Afrikaner political game. Indeed the constitution makes it impossible to remove the President without the approval of all three houses.

Although unlikely, it is in theory possible that a reformist President would come in conflict with the NP while winning such a measure of support from the coloured and Asian Houses that the white House will be unable to remove him should it want to do so. In the case of a conservative President, this scenario is impossible to conceive.

## **Wide range of support**

For these powerful reasons there will be great pressure on particularly a reformist President that he should do nothing which will further upset the Afrikaner equilibrium.

Otherwise the right wing under Dr Treurnicht will simply go to town.

The fundamental defect of the constitution is that the President is not popularly elected but, in effect, by the NP which will inevitably mean that he will be seen as its creature.

We hear much about the NP being unable to go any further than the current proposals, but this is open to doubt.

Experienced pollsters

are convinced that the bulk of the white electorate, and even most Nationalists, support the idea of a popularly elected President, particularly in view of the fact that Mr Botha is able to draw support from a wide range of people outside Afrikanerdom.

The real resistance to such reformist moves is not to be sought in the white (or even Afrikaner electorate) at large.

## **More realism is needed**

Rather it is to be found in the NP bureaucracy which is reluctant to relinquish control of its leaders, let alone a reformist President with wide popular support. (Yet at the same time this NP bureaucracy asks us to believe that the President will be allowed to turn the constitution into an instrument of reform!)

I have little doubt that if the NP is not allowed to introduce this constitution it will sooner or later have to face up to the need for a popularly elected President.

South Africa needs fewer good intentions and more sober realism, especially in the light of our sad constitutional history.

The fundamental reality of our politics is that the current governing party does not have a broad enough base for the kind of reforms that will ensure peace and stability in the Eighties and Nineties.

The base of the present governing party will not be improved by resting it on a flawed constitution. Political priorities demand that a proper base and consensus should first be built before a new constitution is adopted.

It simply never works the other way round.

## SOUTH AFRICA

### DE KOCK'S DETERMINATION TO BEAT INFLATION VIEWED

Johannesburg SUNDAY TIMES in English 24 Jul 83 p 31

[Article by Fleur De Villiers]

[Text]

**H**E may be the gentlest man in public life. Diffident, soft-spoken, with a natural aversion to inflicting pain.

But Gerhard de Kock calls himself a sadist. And if the Governor of the Reserve Bank were a gambling man, he would wager that within the next few months the rest of South Africa will liken this most urbane of central bankers to the Marquis de Sade.

For, like Maggie Thatcher and Ronald Reagan before him, he is about to sally forth against inflation. And, like Britain and the United States, South Africa is going to have to hurt — and hurt a lot — before it feels better.

Because, as he points out ruefully, if it doesn't hurt now, the South African economy is never going to return to the health it needs if it is to employ, feed, house, clothe and otherwise satisfy the fast-rising aspirations of its people.

Unlike Maggie and Ronnie, Dr de Kock isn't a politician, so he cannot use fiscal or political weapons in his fight against the disease that is eroding the value of South Africa's currency at the rate of 13 percent a year, that is reducing pensioners to penury, sending property prices into the stratosphere and pricing this country's exports out of world markets.

But he does have one weapon which makes politicians shake

in their shoes and he is determined to use it.

He can refuse to print more money.

He can refuse to expand South Africa's money supply with Reserve Bank credit.

Which is why a few months ago he was able to shake the business world with his warning that property speculators could get their fingers burned, why the prime lending rate has been allowed to rise and why mortgage rates are climbing back to 17 percent and more.

**I**t's not nice and it means that, although the US economic recovery is well under way, South Africa is going to be staggering along in very low gear for another nine months or more.

But the alternative as, Dr de Kock points out, borrowing a famous phrase, is too ghastly to contemplate.

It could, he warns sombrely, mean an inflation rate in the very short term of 25 to 30 percent, a depreciation of the rand, the devaluation of South Africa's creditworthiness and its reduction to the perilous position of a defaulting Mexico or Brazil.

And South Africa, more than any other country, has to pay its

way in a hostile world.

Because of sound financial management, its credit rating is still good. But runaway inflation could spell the end of all that. "We are the last country in the world that could ask for a rescheduling of debt", he says.

**I**t is a sobering thought. So sobering that South Africa has no alternative but to ignore those siren voices, which call for growth at all costs, and get its inflationary house in order.

For, as he says, it's no longer a choice between low inflation and growth. "We have to beat inflation to grow."

It would have been very different, if only Maggie and Ronnie had not succeeded in doing the impossible: restoring faith in the dollar and sterling.

In the bad old days it didn't matter if South Africa, in pursuit of growth ran an inflation rate of 13 percent – because the average inflation rate of its major trading partners was still higher.

Now, in the course of a few unlikely years, the whole ball game has changed. South Africa is stuck at around 13 percent, while the Western average has dwindled to about three percent with only the dubious examples of France and Italy as exceptions to that puritan rule.

When we were all marching in tandem South Africa could pursue the elusive butterfly of growth and hang the consequences. Now if we hang the consequences, we too will hang.

**M**any experts don't see it that way – and their arguments evoke a rare display of bitterness from this mild-mannered man.

"Pseudo-economists get it wrong where a child in standard six would get it right," he says.

"Ask a child what would happen if the gold price falls and if the maize crop is cut by a third and he will tell you that you're in trouble, that you will have to lower your expectations.

"But pseudo-economists believe that you can still compensate for it – that you can buy your way out of trouble by creating wealth. But that means creating money – and we've done too much of that already."

## F

From April 1982 to April 1983 the Reserve Bank allowed the money supply to rise by 19 percent. Over the same period South Africa's growth rate was minus two percent and it had an inflation rate of 13 percent. The sums just didn't add up – or if they did it was to a disaster.

"We didn't apply the policies we said we would," Dr de Kock says. "Government spending was down and our tax policy was correct but the money supply remained high."

## A

nd this is why, despite the recession, South Africans are willing to pay half-a-million rand for a seaside flat – because they believe that next year, or the year after next, that patch of real estate will turn them into millionaires.

Dr de Kock recalls his first days as Governor in 1981 with South Africa in the middle of a heedless spending binge.

The interest rate was only nine percent, half of what it was in London and New York. The gold price was falling like a stone from \$850 to \$300.

"It was like being a weather forecaster and watching the bathers on Clifton Beach, knowing that a cold front was approaching and that they would soon freeze to death."

The freeze came when South African interest rates climbed to the more realistic level of 20 percent.

But it was the recession that wasn't. Initially all the indicators were there, the gold price fell, the market began to realise that South Africa was running a balance of payments deficit, shares took a tumble, and De Beers cut its dividend.

**B**ut before it could really sink in, the Mexicans had tossed their begging bowl into the international arena, the gold price rose. South Africa, by cutting its imports, had turned a payments deficit into a surplus, money began to flow back onto the JSE, interest rates fell and property prices took off once again.

And suddenly South Africans prepared to meet their boom.

The jubilation was premature.

"We have got to kill off inflationary expectations and the only way we can do that is to kill inflation itself," Dr de Kock says.

"We will just have to accept high interest rates. And interest rates which are only three percent above the inflation rate still mean cheap money".

**H**e is also determined to block his ears to the Government's costly decentralisation plans, homeland consolidation and all the other causes pleading for aid, despite the enormous financial demands for drought relief.

"Drought relief will have to be financed through taxes, long-term loans and a cutback on all non-essential expenditure.

"But it will not be financed through the Reserve Bank".

South Africans, he says wryly, tend to believe that charity comes out of someone else's pocket. This time around they are going to learn that charity begins in their own cheque book.

If it hadn't been for the drought and its effect on food prices we may, through Dr de Kock's medicine, have been able to bring inflation down to single digits by Christmas.

Now he is aiming for the first quarter of next year. And then and only then -- "this time next year perhaps" -- will South Africa begin to reap the benefits of the world recovery.

**T**hat recovery, he says, is written in the stars, with the upturn in the American and British economies, an improvement in world prices for South African minerals and eventually a higher gold price.

The only factors which could destroy that forecast would be a "calamitous fall in the gold price and no rains next summer".

Nevertheless, he remains an optimist. And a sadist, if unlike the Marquis of unhappy memory, Dr de Kock is determined to be cruel only to be kind.

And so, before South Africa can begin to bask in the warmth of that delayed economic recovery, it could get very cold indeed.

CSO: 3400/1738

GILIOMEE EXAMINES INKATHA ELECTION BOYCOTT PLANS

Cape Town THE CAPE TIMES in English 16 Jul 83 p 10

[Article by Professor Hermann Giliomee]

[Text]

**In his monthly column, THE PATTERN OF POLITICS, PROFESSOR HERMANN GILIOMEE today examines Chief Buthelezi's recent announcement that Inkatha will not participate in the elections for the new black local authorities**

DURING the past few months the most over-used metaphor in debates about the new constitutional dispensation is whether it represented a step in the right direction.

To a large extent the question of wrong or right steps is largely hypothetical for only future developments will decide the issue. However, the issue has suddenly acquired concrete meaning through Chief Gatsha Buthelezi's announcement that Inkatha will not participate in the elections for the new black local authorities scheduled to be held shortly.

In his recent speech, delivered at the ninth national conference of Inkatha, Chief Buthelezi firmly linked his decision not to participate to the exclusion of blacks from the new constitutional dispensation and the arguments advanced by its protagonists.

**Crucial problem**

In a letter to Dr Piet Koornhof, Chief Buthelezi referred to an information sheet issued by

the National Party which rhetorically posed the question why blacks have been denied participation in the President's Council and the proposed new constitutional framework. The answer given in this sheet is well-known: Blacks are enjoying political rights via the homeland governments, and the new black local authorities in places like Soweto will be given extended powers — in some cases greater than their white counterparts.

For Chief Buthelezi the crucial problem with this argument is that these new local authorities are being held up as an adequate substitute for excluding urban blacks from the new constitutional dispensation. For Inkatha to participate in the new black local authorities would mean that it would help to legitimize the new constitutional arrangement.

This the chief finds completely unacceptable — he now considers it Inkatha's prime duty to ensure that what he calls "the rot of the new

dispensation" does not permeate to the regional and local level.

Chief Buthelezi has of course been willing to accept the KwaZulu homeland structure thrown up by government policy. However, he could still argue that it was a step in the right direction. In his well-known 1974 federation speech he proposed that homelands, together with white and "multi-national" political entities, should eventually be linked together under a common federal authority.

More recently he has made more generally-phrased demands for black representation in both the central government and at the regional level, where homelands could either be properly consolidated or merged with a contiguous white regional structure (for instance, KwaZulu and Natal) to become future provinces.

**Share power**

In 1980 he rejected the recommendations of the Schlebusch Commission and refused to par-

ticipate in the proposed separate black advisory council because it was a step in the wrong direction.

He envisages a unitary state in which all the races share power within one political system which guarantees the political rights of all national groups and defends minority rights.

Chief Buthelezi would risk losing all credibility if his Inkatha would now participate in the black local authorities after the new constitution has drawn the line so firmly between Africans and non-Africans. Indeed the new Promotion of Local Government Affairs Act is a distinct step backward relative to the President's Council recommendation that there should be co-ordination on a regional level of black, white, coloured and Indian local government.

In terms of the new Act blacks are specifically excluded from the terms of reference of the South African Co-ordinating Council for Local Authorities which is to recommend new local government structures accommodating the mutual interests of the various racial communities.

The government's answer is that it is still - to continue with the metaphor — watching its step with respect to blacks living in so-called white South Africa, which is the subject of study by a special cabinet committee. However, in the meantime the new dispensation, which leaves blacks out on a limb with respect to local and regional co-ordination, is unfolding.

According to Dr Piet Koornhof the preparatory work on the conversion of community councils into proper black local authorities has nearly been completed with respect to 25

townships (among others Soweto, Mamelodi, Atteridgeville and Port Elizabeth). These communities could, in the minister's words, "hold elections during September, October or November, should they wish to do so". No wonder that Chief Buthelezi has thrown up his hands in horror and has refused to walk any further steps in whatever direction.

Nothing of course stands quite still and the pace of South African politics is accelerating in a disconcerting way. Could it be that Chief Buthelezi's step is a fatal blunder? The Labour Party has decided to participate in the new dispensation because it is above all interested in capturing local government and from this base (rather than from the coloured chamber in Parliament) try to negotiate a better deal.

For Chief Buthelezi, control over the townships on the Witwatersrand is vital if he is to extend his rural base and truly become a national leader. For Chief Buthelezi the decision to pull out from the new black local authorities must be a particularly painful decision in view of the fact that his post-Soweto strategy has run into difficulty on several fronts.

Firstly, his effort to build up a Black Alliance to forge black unity is in trouble after the decision of the Labour Party to pull out.

Secondly, Chief Buthelezi has since the Soweto disturbances tried to promote Inkatha as the internal wing to the ANC. This is no longer credible after the ANC repudiation of the Chief, the recent ANC attack on Ulundi and the stepped-up ANC violence while Inkatha still holds out for a negotiated settlement.

Thirdly, Chief Buthe-

lezi has, in Roger Southall's words, sought to present itself as a potential third force mediating between opposing white and black nationalism. However, the new constitutional dispensation will make such a role infinitely more difficult.

And now Chief Buthelezi has rejected the chance to get a base on the Witwatersrand through the new local authorities. Even with a membership of nearly three-quarters of a million, Inkatha's opportunities for action seem limited.

While there may be some *leedvermaak* in certain circles about Chief Buthelezi's troubles, the government and the business community have reason to be worried about Inkatha's decision not to participate in the elections of the new black local authorities.

From the Nationalist point of view the coloured people and Indians are an ideological problem; however, these communities do not at the moment constitute any real political problem in terms of maintaining stability.

The position with respect to the urban Africans is different. Here a major crisis can build up if the authority vacuum in the townships remains. Rents will simply have to be raised if services and amenities are to be improved. ("It is up to the Soweto Council to find ways of getting the money either from employers or from the residents but definitely not from us, as our resources are now dry," the chairman of the West Rand Administration Board said in 1980).

But raising of rents is an explosive issue, as shown by the disturbances of 1976 and the current nasty turmoil in the Durban townships, Lamontville and Ches-

terville, where rents were raised by 30 to 60 percent.

The present black community councils have shown vividly that they lack the popular legitimacy to facilitate the collection of higher rates. Percentage polls of as low as six percent were registered in the Soweto elections of 1978. When Chief Buthelezi in 1980 and 1981 showed interest in participating in the new Soweto election there were great hopes that a credible local black authority could be established. However, the new constitutional dispensation, together with the fact that the government has still not spelt out a financial formula for the new black local authorities, has come as a serious blow.

With Inkatha boycotting the upcoming elections the authority vacuum in the black townships seems set to remain. It will cast a long shadow over our politics.

Qualified Western approval for the constitution rests on the assumption that giving coloured people and Indians an enhanced constitutional status is a step in the right direc-

tion — that of accommodating urban blacks as well. The setbacks with the new black local authorities will seriously put a question mark over that assumption.

It also raises an important question about the future stability of South Africa. Sam Nolutshungu, a prominent black sociologist, argues in his important new study *Changing South Africa: Political Considerations* (David Philip, 1983), that the accommodation of the black middle class "presupposes a black middle class with considerable ideological and political influence over the rest of their kind, sufficient to deflect workers and others less privileged from the paths of revolution" (p 122).

Clearly the new separate dispensation for urban blacks makes it all but impossible for middle-class blacks to fulfil that crucial role.

The so-called step in the right direction of the proposed new constitution could at the same time well be one towards a greater turmoil in our black townships. And that's where the real heart of South Africa's political problems lies.

CSO: 3400/1738

TSHABALALA MOVES TO OUST TOP COUNCILLORS

Johannesburg SOWETAN in English 3 Aug 83 p 2

[Article by Sam Mabe]

[Text]

**MR EPHRAIM Tshabalala**, a Soweto tycoon and leader of the Sofasonke Party, yesterday revealed plans to oust Mr David Thebehalu and Mr Tolika Makhaya as chairman and vice-chairman of the Soweto Community Council.

Claiming that he was instrumental in the election of Mr Thebehalu and Mr Makhaya, Mr Tshabalala held a press conference yesterday to disclose that a meeting of the Sofasonke Party would be held at the Naledi Hall on Sunday where a campaign to oust the Soweto Council leadership would be launched.

Mr Tshabalala made a startling claim that as leader of the Sofasonke Party he had declined the leadership of the council because: "I did

not have the expertise required to run a council. Besides I had a lot of business commitments."

Mr Thebehalu, on being told of Mr Tshabalala's claims, threatened to take legal action. He said he had nothing to do with Mr Tshabalala as far as his election was concerned.

Attacking the council's electrification scheme, Mr Tshabalala said that the millions of rands spent on electrifying Soweto could have been used on housing.

"This electricity is today driving many people out of their houses. People were deceived into believing that electricity was going to be cheap but it is the most expensive commodity used in any household."

He also said that the council leadership had

been postponing elections so as to remain in power forever.

In his statement, he said the present leadership should be ousted because:

- they destroyed shacks and left men and women exposed to the winter colds
- they put a 20-year electricity bill around the necks of Soweto residents
- rent hikes have been coming one after the other since they took power.

Mr Tshabalala also said that with the Black Local Authorities Act having become effective this week, community councils should be dissolved so that all councillors could start campaigning for election from the same platform.

CSO: 3400/1741

ANCWL'S LEGENDARY PRESIDENT LILLIAN NGOYI HONORED

Johannesburg SOWETAN in English 3 Aug 83 p 3

[Article by Zwelakhe Sisulu]

[Text]

**THE TOMBSTONE** of the legendary president of the banned African National Congress Women's League, Lillian Ngoyi, will be unveiled on August 14 and several events have been organised to coincide with the unveiling.

The unveiling of Mrs Ngoyi's tombstone will be part of a week's programme organised by the Federation of South African Women (Fedsaw) to mark the march by 20 000 women to the Pretoria Union Buildings to protest against the pass laws.

The organisation will have a Focus Week starting on August 7 and ending with the unveiling on August 14.

A photographic exhibition of the women's march and a discussion on the Women's Charter will be some of the highlights.

A Women's Day commemoration service will be held at Glyn Thomas

at 7.30 pm on August 9 and a paper on the Women's Charter in perspective will be delivered at the YWCA at 7.30 pm on August 10.

A statement issued by Fedsaw highlighted the plight of women under the pass laws.

"In South Africa women do not have what is considered basic rights throughout the world; the right to live with their husbands and lead a normal family life," the statement said.

Women were used as a pool of labour with limited education and skills and forced into taking menial jobs.

Women, the statement added, were also subjected to various forms of discrimination. "Besides racial discrimination African women in South Africa are subjected to a system of sexual domination which is reflected in many institutions," it read.

WRAB CLAIMS IMPLEMENTATION OF RIKHOTO RULING

Johannesburg THE CITIZEN in English 4 Aug 83 p 18

[Text]

THE WEST Rand Administration Board (WRAB) in Johannesburg yesterday said that it accepted, and was implementing, the Rikhoto ruling which gives certain migrant Black workers rights to permanent residence in urban areas.

It denied trying to "delay or frustrate attainment of these rights".

Mr John Knoetze, chairman of WRAB, said at a Press conference: "The ruling is accepted by us and is being implemented in the spirit that the judgment was given".

Under the Rikhoto Appeal Court judgment, migrant workers, who have worked for one employer for a period of 10 continuous years in a prescribed area, despite the fact that he returns to his employer on the call-in card system on a yearly basis, com-

piles with the provisions of Section 10 (1) (b) of the Urban Areas Act, which gives the worker the right to permanent residence in urban areas.

**Records**

Mr Knoetze pointed out that the WRAB was not qualifying people who have worked for more than one employer over a 15-year period.

"We keep a record of the applications made to us, and we have asked Pretoria to give us a ruling on the 15-year migrant worker as well," he said.

He denied that the WRAB had been hearing only 100 cases a day and turning others away.

"Up until last week, we could handle only 150 cases in an efficient manner daily," Mr Knoetze said. "Now that the numbers have dropped off, we can easily handle 130 a

day".

A statement read at the Press conference also said:

**Query**

"Pretoria has been asked for a ruling on whether workers from the four independent states are entitled to the rights if the qualifying periods ended after the dates of independence of these states as certain provisions in the Urban Areas Act appear to militate against this."

"Applications in this regard are processed and kept on record".

So far, the WRAB has granted endorsements to 2 355 workers employed in the Board's area of jurisdiction.

"The Board is coping well with the situation," Mr Knoetze said.

"A decision of the Supreme Court is law — we accept it and are anxious to carry it out," he added.

CSO: 3400/1741

UDF RALLY EXPECTED TO ATTRACT THOUSANDS

Johannesburg SOWETAN in English 2 Aug 83 pp 2, 4

[Article by Sam Mabe]

[Text]

A MASS rally expected to attract thousands of people from all over the country is to be held in Cape Town later this month at the launching of the United Democratic Front (UDF).

At a Press conference held in Johannesburg yesterday, the UDF's interim Publicity Secretary, Mr Zak Yacoob, announced that the launching would take place on August 20.

The decision to launch the UDF nationally was taken at a meeting held at the weekend by African and Indian leaders from various parts of South Africa.

The leaders included, among others, veteran worker and Cape Town community leader Mr Oscar Mphetha, who is currently out on R1 bail pending the outcome of an appeal against a five-

year jail sentence passed on him under the Terrorism Act.

The formation of the UDF, whose regional branches in the Transvaal, Natal and Western Cape were launched over the past few months, was a direct result of the controversial constitutional proposals and the Koornhof Bills against which the UDF is rallying.

"It is a united front in which all organisations will keep their identity and independence but co-operate in opposing the President's Council, the new parliament and Koornhof plans," said a UDF press statement.

"The conscience and the moral impulses of all freedom-loving people of South Africa have been aroused. People have been moved to re-

ject these pernicious and evil laws which consolidate the heresy of apartheid.

"Whilst the UDF articulates the viewpoint of the broad cross-section of people, we accept as fundamental that the main burden of exploitation and discrimination falls on the poor.

"Accordingly, the main thrust of the organisation is directed towards the participation of working people in the workplace, in communities and wherever they may be.

"The grand design of apartheid is to fragment our people's unity. And those who deliberately refrain from helping us to maximise this unity, advance the cause of the enemy and delay the cause of democracy," added the statement.

Let Real Leaders Emerge

**THERE IS JUST** no doubt that the stirring of extra-parliamentary opposition politics is gaining momentum and unprecedented impetus in the last few weeks.

There are two political national fronts, which should ideally have been welded into one, but which together form the kind of massive political machine prevalent in South

Africa only a number of decades ago.

The two organisations have amassed to themselves scores of community and other bodies, across a very wide-spread base, if their figures are to be believed. And there is no reason to disbelieve them, because the kind of meetings and conferences these people are able to marshall these days is impressive to say the least.

The two national organisations are split by what seems to be an irreconcilable ideological rift. This is not a new thing nor should it be regarded as something necessarily disastrous. It is bothersome, there is just no doubt about that, as it tends to slow down progress.

Our view is if the people of South Africa who claim they are fighting for a non-racial or anti-racist future are honest and committed enough, they should be able to spring the kind of mind to bring together the perplexing elements of race and class as affecting our peculiar position.

The United Democratic Front (UDF), the one of these nationally organised bodies launched a very successful youth group called the Soweto Youth Congress at the weekend. Most reports say the launch was an unqualified success. There

was plain sailing in the organisation of the meeting, and the kind of professionalism that could have been the envy of the most respected political guru.

The UDF is in the meantime making ground in other directions. It has chosen the Constitutional Bill and the three Koornhof Bills — now Acts — as targets for mobilising widespread support. There is no doubt this will be successful unless the organisation meets casualties enroute.

The UDF seems to have other strengths including wide-base membership from trade unions, community, women's, religious, youth, sports, political, professional and business organisations and interest groups.

While there may be some who are unhappy about the UDF's ideological stance, we believe this is not the time for ideological nit-picking. It is necessary, we realise this, that the two factions reach a reconciliation or at the worst a compromise on race and class as dictates for the overall struggle. It is not an impossible situation and can do a number of things in one fell swoop. Those people who are on their ideological planks for self interest or self aggrandizement will be flushed out and the true leaders will emerge.

CSO: 3400/1737

SA IN 'PRETTY SERIOUS' RECESSION, SAYS LTA CHAIRMAN

Johannesburg THE CITIZEN in English 29 Jul 83 p 22

[Article by Don Wilkinson]

[Text]

**BUILDERS** and civil engineers LTA turned over more than R1-billion in their year ended last March, but it won't do so this year, says chairman Zac de Beer in his review with the group's accounts.

There are several reasons which can be encapsulated, however, in the chairman's remark that "generally, South Africa is now in a pretty serious recession".

The current calendar year will see a negative growth rate of around 2 percent in the economy, with stubbornly high inflation which the authorities are rightly trying to cut down via "heavy cutbacks in Government spending and tight monetary control".

Dr De Beer endorses the view that an upturn may be expected around mid-1984 "which suggests that no real improvement in (LTA's) activities can be looked for until 1985".

The group's construction division, the principal sector of the business, has three divisions: earthworks, civil engineering, and building. The first

two are heavily dependent on public sector spending — earthworks, including roads, getting about 90 percent of its work from this source, and civil engineering, some 70 percent.

And while LTA still has such substantial work on its books, the cutbacks in Government spending mean that there is less and less such business available and then only at highly competitive margin — slashing prices.

Dr De Beer signs his review as at July 18, noting that LTA had R830-million of work on its books, down from the R878-million at end-March, and from R885-million at end-March, 1982.

The end-March 1983 split was about 76 percent on the building, civil engineering, roads and earthworks side, and the balance from the rest of the business, including industrialised building.

Public sector spending, LTA feels, is not likely to show any rise over the next 12 months, and there has also been little multidiscipline turnkey work available — though the

group is well placed if there is any international revival.

So, while the downturn has eased the skilled staff and labour situations, it has intensified the competition for what little business is available.

On the plus side, LTA's liquidity has improved considerably, with the debt-equity ratio down to 24 percent from the previous year's 43 percent, and to the extent that there may have been some over-conservative valuations of contracts in progress, a potential profit cushion.

On the negative side again, but not quantified, is the problem that the group is having with reticulating Soweto.

The undertaking "remains our largest single problem, and we are still carrying a very large provision against possible loss . . . we continue to experience serious difficulties in obtaining agreement on administration procedures and particularly in establishing revenues to which we are entitled".

When the preliminary figures were announced around end-June the shares stood around 485c, to return about 7.2 percent on the repeated 35c a share paid, covered 2.3 (2.9) times by earnings.

There have since been buyers around at 400c, while last night's buyer's price was 420c where the prospective yield — on the somewhat dangerous assumption, perhaps, that 35c will again be paid — is 8.3 percent.

CSO: 3400/1737

NEGATIVE GROWTH RATE PREDICTED FOR SECOND YEAR

Johannesburg THE CITIZEN in English 29 Jul 83 p 25

[Text]

A NEGATIVE growth rate in South Africa this year for the second year in succession, is predicted in an economic report by the Liberty Life group.

And the prospects of a broadly based recovery appear to be at least a year away, the report states.

Discussing the business cycle and growth, the report states that conventional economic analysis shows that the majority of South African economic indicators have bottomed. Certain indicators, such as job advertisements, buildings completed and mining production, have embarked on definite upswings.

These indicators tend to corroborate the index of leading economic indicators which, in fact, bottomed as long ago as July 1982. Certain components of the index of leading economic indicators, such as industrial share prices, building plans passed and new car sales have shown exceptionally

strong recoveries.

However, the report states, the encouraging statistical picture is somewhat misleading. It appears that certain sectors of the South African economy embarked on a premature recovery in the fourth quarter of 1982 owing to the run up in the gold price to over \$3500, which was perceived to be permanent.

In addition, the inflow of capital at that time, which the authorities failed to neutralise sufficiently quickly, provided substantial stimulation to the economy.

The picture is further complicated by the high level of consumer spending in certain areas, such as housing and personal transport, which has resulted from the prevailing "inflation psychosis."

"It is our view that the recovery currently being portrayed by the leading economic indicators is likely to experience a relapse." The following reasons are submitted for their viewpoint:

- The current tighter monetary conditions and rising trend in interest rates will further discourage spending on durable consumer goods and on fixed investment;

- The Government's capital needs have ballooned beyond original expectations and will require to be financed either by increased taxation or by increased borrowings.

- The net reserves will require to be built up.

- The impact of the drought is yet to be felt. It is estimated that agricultural output will decline by 15 percent in real terms and the effects of the drought will have an adverse effect on gdp of 1.5 to 2 percent.

- The level of personal savings as a percentage of disposable income has dropped to an all time low of 3.6 percent in the first quarter of 1983 (the long term average being approximately 10 percent).

An increase in this ratio is a necessary precondition for a strong revival in consumer spending in 1984.—Sapa

CSO: 3400/1737

SOUTH AFRICA

SA HAS A FREE PRESS, MINISTER CLAIMS

Johannesburg THE CITIZEN in English 30 Jul 83 p 9

[Text]

THE Government was, "without a doubt," committed to a free Press in South Africa, the Deputy Minister of Foreign Affairs and Information, Mr Barend du Plessis, said in Pretoria yesterday.

Addressing the annual congress of the Afrikaanse Studentepersunie (ASPU) at the University of Pretoria, he said the Government realised there was a degree of cynicism in certain circles — that the Government only paid lip service to Press freedom.

However, it was untrue and unfair to create the impression the Press would have "much more to write about" if not for the limitations imposed by the Government.

"Only real security issues are withheld from publication," he said.

Mr Du Plessis described a

recent statement by the editor of The Star, Mr Harvey Tyson, who said Press freedom was already lost, as "simplistic and unqualified".

An ideal relationship between the government and the media would be very difficult to achieve at this stage.

The Opposition Press in South Africa could hardly be objective, impartial, or constructive with regard to the government, Mr Du Plessis said, and the Government had to accept this.

The Opposition Press would instead publish the same "pro's and con's" as the politicians whose side they had taken.

Mr Du Plessis said there was often doubt amongst "politicians and others" as to whether certain sections of the press really "meant well for South Africa, its people and

future".

There could not be an ideal relationship between the Government and the Press if the Press:

- presented South Africa as a country of oppression.
- did not have a clear understanding of the dangers facing South Africa, and
- did not accept it was answerable to the general law of the country, nor could their be an ideal relationship if the Government:
  - could not tolerate criticism.
  - kept essential information secret from the media.
  - did not have regular liaison on an organised basis and on the highest level with the media, and
  - did not have effective channels for the flow of information between itself and the media. —

CSO: 3400/1737

DISCIPLINE THREAT ISSUED BY BROEDERBOND

Johannesburg THE CITIZEN in English 2 Augu 83 p 9

[Text]

DISCIPLINARY steps will be taken against members of the Afrikaner Broederbond who use their membership as influence to get appointed to certain positions.

These were the words Dr Wimpie De Klerk, editor of Rapport, said yesterday.

Addressing the student society, RAU-POLS, at the Rand Afrikaans University.

Dr De Klerk said that there were about 13 000 registered members of the Broederbond.

There was only one main qualification for membership, an applicant had to be an Afrikaner in every word, he said.

"Because of the exclusiveness of the Broederbond, it is important to be more open about the activities of the organisation so that suspi-

cious people will have their minds set at ease".

The purpose of the Broederbond, according to Dr de Klerk, was to think and discuss actual things and to formulate a point of view for the other members.

Asked whether one had to be a member of the Broederbond otherwise you will not make it," Dr De Klerk said such a statement was totally against the written constitution of the Broederbond.

The split in the National Party had also left its mark on the Broederbond. It was the spectrum of the political debate in the country, he added.

There were Afrikaners with different political views in the Broederbond, Dr De Klerk said.

CSO: 3400/1737

REFORM BILL SURVEY 'NOT SURPRISING,' SAYS BORAIN

Johannesburg THE CITIZEN in English 2 Aug 83 p 4

[Text]

CAPE TOWN. — The chairman of the Progressive Federal Party's Federal Executive, Dr Alex Boraine, said yesterday he was not surprised that more and more people were changing their minds about the Government's constitutional plan.

He was commenting on the results of an opinion poll indicating a drop in support of almost five percent for the proposals since April.

The poll conducted for the Nationalist Sunday newspaper, Rapport, showed that more than 60 percent of White South African voters would support the constitutional plan if a referendum were held now, compared to 64.8 percent in April.

Among PFP members, 46.2 percent would say "yes" now — a 13 percent drop since April.

Among National Party voters, 90.9 percent now supported the plan — a 1.8 percent drop since April.

Dr Boraine said the more people knew about the contents of the Constitution Bill the less they liked it.

He had no doubt this trend would continue and that opposition to the Nationalist plan would grow.

"Bearing in mind that this survey was undertaken before the PFP's public meeting campaign throughout South Africa, the percentage of PFP supporters who will oppose the proposals will undoubtedly increase substantially," he said.

"It is a pity that the survey was confined to White voters.

"After all, the Coloured and Asian communities are as much involved as Whites, and I am convinced that any survey of their attitudes will show a hardening of opinion against the constitutional plan."

Having just spoken at 14 public meetings in the Natal Midlands, Dr Boraine said it was clear to him most people were horrified as soon as the main principles of the plan were outlined to them.

"I have no doubt there will be a growing consensus that the Government must go back to the drawing board," he said. —

ASSOCOM SUGGESTS CONSTRAINTS IN PLANNED REFORM

Johannesburg THE CITIZEN in English 2 Aug 83 p 12

[Text]

A CONTROL mechanism is needed in the proposed new constitution to ensure that the President chooses between "own" and "general" affairs "with some measure of certainty," Assocom says.

This is one of the recommendations Assocom (the Association of Chambers of Commerce of South Africa) has made in a supplementary memorandum to the select committee on the constitution.

Assocom submitted a main memorandum to the committee, amplifying and supplementing its views by oral evidence on July 12.

At this hearing the committee requested Assocom to give its view on three further issues, namely:

- The process of determining "own" and "general" affairs,
- What constraints, if any, should be placed on the President's powers, and
- The allocation of funds between the different Houses of Parliament.

"Assocom subscribes to the view that the State President's powers to decide whether or not a bill is an "own" or a "gener-

al" affair should be controlled in some or other fashion," the supplementary memorandum says.

In addition to using Schedule 1 as guidelines for deciding, the Association recommends the President should base his decision on the advice of his Cabinet, the advice of the relevant Minister's Council, and adequate provision for any necessary expenditure on the bill in the relevant "own" affairs budget of the House concerned.

Another option in limiting the power of the President in respect of "own" and "general" affairs is to permit a form of appeal to the President's Council on the matter.

Such an appeal would be at the instance of any one of the Houses, but the ruling of the President's Council need not necessarily bind the President.

The merit of this procedure would be to provide a forum for discussion and review of the president's decisions, and the President could find this a useful supportive exercise, Assocom says.

"These limits to the president's powers would also serve the purpose of reducing the risks of controversy surrounding the

high office of the President."

Assocom believes the distinction between "own" and "general" affairs will diminish with the passing of time.

In the interim, where there is doubt as to whether a matter falls into one or the other category, the issue should be regarded as a 'general' rather than an 'own' affair."

In particular, besides tertiary education, the provisions of sub-economic housing and control of local authorities, especially financial control, should be retained as "general" affairs, and Schedule 1 of the constitution Act should be amended from time to time to further limit the scope of "own" affairs, Assocom recommends.

Turning to the allocation of funds between the different houses of parliament, it is the Association's strongly held opinion that a sound, stable economy which gives the best conditions for stable political growth, is best achieved by a central budgeting system.

Its primary recommendation is that the decision-making process be institutionalised as a "committee of the bud-

get," which would consist of officials from the Department of Finance and might include other experts from the public and private sectors.

It would be chaired by the Director-general of Finance, who should be directly responsible to Parliament for the report of this committee.

Assocom suggests that the Office of the budget, as it exists in the United States could serve as a model for the structure of this body.

"The political input into the budgeting process up to this stage would be kept to a minimum but public involvement in the broad strategy and selection of options available should be included at this point.

"It is suggested that the public and major private sector representative bodies should be given an opportunity to make an input to this committee.

"Once the committee of the budget has put forward its report for the next financial year, the budget now enters the political arena and it will then be for parliament to take the final decisions," Assocom says.

"Since the economic

and financial process is ultimately indivisible, it may be desirable for a joint sitting of the Houses to be held to consider the national budget.

"This budget will detail the funds to be made available to each House for its 'own' affairs budgets and thereby allow a cohesive approach and overall control to be exercised by all politicians in the final allocation of finances."

Assocom also recommends that the select committee on the constitution give consideration to the following measures:

- That the President should give an overview of proposed legislation or major problems facing the country, along the lines of the "State of the Nation" address given by the US President.

This address should be delivered at the commencement of every Parliamentary session, in the joint sitting from the opening ceremony.

"The content of this address would provide guidelines for the President as to the further delimitation of 'own' and 'general' affairs and also give guidance on budgetary constraints."

CSO: 3400/1737

EAST RAND COUNCILLOR GETS DEATH THREAT

Johannesburg SOWETAN in English 4 Aug 83 p 2

[Article by Mzikayise Edom]

[Text]

**THE reign of terror against East Rand community councillors continued this week when the chairman of the Daveyton council, Mr Tom Boya, received a letter threatening him and his family with death.**

Mr Boya received the letter hardly three weeks after the gunning down of another councillor, Mr Jacob "JR" Ratale, in the township. The anonymous writer of the letter claimed he was "registered to kill and hired to kill" Mr Boya.

The letter is handwritten, does not identify the author and gives a crude address — "headquarters, Chicago" — as its source.

**POLICE**

Mr Boya told **The SOWETAN** that he had given it to the police.

Captain S S Tshabalala, chief of the Daveyton police, confirmed this yesterday and said the police were investigating.

The letter warned Mr Boya to have his family with him wherever he went because the Mafia-style gang after him was "paid to kill". The letter also warned him to have protection for himself and his children, at home and at school, because the gang was there to "kill and not to play".

It also said: "I would like to tell you not to go and ask Mr Tshabalala (the chief of the Daveyton police) for protection. No more public meetings at night because the Mafia are there too, to do the job."

**KILLING**

Captain Tshabalala

said the police were not taking this matter lightly. They were working around the clock to trace the culprits and crack the gang. They were also still trying to investigate the killing of Mr Ratale.

The killer is still at large but the police say their investigations are bearing fruit.

Mr Ratale was killed in his shop by an unknown gunman who pumped seven bullets into him. He was the second Daveyton councillor to be killed in just over a year.

On July 1, 1982, Councillor Andrew Nxumalo was killed by an unknown gunman at his house. His killer is still at large.

The people in Daveyton do not know what the motives are behind these cold-blooded killings.

CSO: 3400/1737

## FIRST BOPP PLANT NEARS COMPLETION AT CHAMDOR

Johannesburg THE CITIZEN in English 3 Aug 83 p 22

[Text]

CONSTRUCTION of a R30-million biaxially-orientated polypropylene (BOPP) plant — the first in South Africa — is nearing completion at the central production facility of Hoechst South Africa at Cham dor, Krugersdorp.

Installation of high technology machinery from West Germany is expected to start shortly.

While some technical specialists for the plant will come from Germany, key South African personnel are presently undergoing major training programmes in Germany to study the latest production methods.

This was revealed today by the managing director of Hoechst South Africa — Mr A L Baltzer, during a visit by leading figures in the South African packaging industry to see progress at the plant.

The plant is due to go on stream at the beginning of the second quarter of 1984 and will have a capacity of about 5 000 tons of fine grade plastic packaging film.

This film is widely used in the food and cigarette industries and is currently entirely imported from the Kalle company, a division of Hoechst AG in Wiesbaden.

The new Krugersdorp plant will produce sufficient BOPP packaging material to supply the total South African market, with a saving of some R20-million a year in foreign exchange, Mr Baltzer said.

"This new venture in South African industry is part of our on-going capital expansion programme, a long-term programme, which has gone ahead without interruption during the current downturn

in the South African economy," Mr Baltzer said.

"The plant, the most modern of this kind in the world, involves the latest technology and know-how from Kalle, and will open up about 150 new job opportunities."

A vital factor, he added, was that the plant would produce no environmental pollution with far less energy consumption than other traditional packaging a production methods.

"We expect production at Cham dor to continue to replace the use of cellulose packaging film, which is under pressure world-wide because of environmental problems and the high expense of counteracting these problems," he said.

CSO: 3400/1741

## MASSIVE CIVIL DEFENSE TEST PLANNED FOR 4 AUGUST

Johannesburg THE CITIZEN in English 3 Aug 83 p 10

[Article by Marilyn Cohen]

[Text]

JOHANNESBURG's emergency services are to be tested to the limit tomorrow when a number of "man-made disasters" will occur almost simultaneously in and around the central business district.

All these will form part of the biggest civil defence exercise ever staged in the country.

Some 1 100 people will be involved in the exercise including members of the Railway Police, the South African Police, the Army, Air Force and Medical Corps, as well as the city's civil defence, traffic, fire, ambulance, transport and health departments.

The provincial hospitals will also be involved, as there will be 100 "casualties".

Chief officer of the Johannesburg Civil Defence Corps, Mr Henk van Elst,

appealed to the public to act responsibly during the exercises. "We don't want any heroes who may cause genuine casualties."

He explained that while the various emergency services were geared to deal with disasters, the overall effectiveness of emergency planning was dependent upon fast and efficient reaction and co-ordination of the services concerned.

It was this co-ordination which had to be tested before it was called upon one day to deal with "the real thing".

While the planners of the exercise have tried to ensure that disruption of normal activities will be minimised, Mr Van Elst warned that some disruption, for example, of traffic, was inevitable.

Letters had already been sent to commerce and industry in the CBD area warning them that the exercises will take

place.

However, the exact locations, times and types of incidents remain a closely guarded secret to try and make the exercise as realistic as possible.

Planning for the exercise has been going on since February and it is estimated that it will cost between R30 000 and R40 000.

Mr Van Elst assured the public that should anything else occur while the exercise was taking place, there would be sufficient manpower to deal with it.

"The normal activities of the city's emergency services will not come to a standstill.

"Since our ultimate objective is to ensure that the negative after-effects of disasters in terms of lives and property are minimised, the public's forbearance and support will be highly appreciated."

CSO: 3400/1741

## LIFE INSURANCE INDUSTRY EARNINGS REPORTED

Johannesburg THE CITIZEN in English 4 Aug 83 p 27

[Text]

CAPE TOWN.—The South African life insurance industry provided protection through an estimated 5.5-million policies in force to policyholders or their beneficiaries last year. Total income grew to R5 246-million.

About 2.5-million pension fund members were covered by pension funds administered by the industry, according to the Life Offices' Association annual review released yesterday.

It also estimated the number of annuitants in receipt of benefits during the past year as being in excess of 100 000.

In addition, says the review, many members of other pension funds, which had funds entrusted to various life offices for investment, benefited from the expertise of these offices.

Funds set aside during the year to meet future obligations rose by R3 192-million to R18 028-million. This, says the review, was achieved in a period where total personal savings in South Africa dwindled to a figure of only 4.6 percent of personal disposable income.

against the longer term average of 10 percent.

The increasing role the industry is playing in the underwriting of group schemes, and pension funds is shown by the fact that almost 45 percent of premium income came from these sources. This income source represented a 33.5 percent increase on the previous year's figure.

"A specially important task has therefore rested on the life insurance industry and particularly those responsible for its investments, as the industry has to ensure that the savings of the policyholder — the small man — are canalised into productive investments with maximum possible security," comments the review.

The review, as is customary, deals with statistical information and, commenting on the growth of total income to R5 246-million (of which R3 451-million came from premiums and R1 795-million from investment income), points out that total income surpassed the figure for total assets held by the industry six years ago.

The R1 200-million growth in recurring premium income for other individual policies rep-

resented a 28.3 percent increase against the previous year's figure.

A 32.1 percent growth in investment income — from R1 359-million in 1981 to R1 795-million in 1982 — is attributed largely to the general increase in interest rates and growth in investments held on behalf of policyholders.

At R1 208-million total benefits paid increased by 29 percent, this figure including an amount of R133-million in surrenders on individual policies. Commenting on the latter fact the review states: "Because of concern for the loss of benefits which occur with surrenders, the industry has an ongoing programme of conservation for policyholders, but due largely to economic conditions, surrenders on individual policies rose by R40-million for the year."

Nearly 950 000 new policies were issued during the year, representing recurring annual premium income of R512-million and single premium income of R186-million.

Tables reflecting the break-down in this area show that average premiums paid for both individual ordinary business and retirement annuities represented increases over the averages for preceding years, regarded as efforts in seeking to com-

pensate to some extent the effects of inflation.

This was noticeably so in relation to retirement annuities where an increase of more than 14 percent in average premiums paid per policy was recorded.

However, while total premiums for individual ordinary business rose from R304-million in 1981 to R414-million (36 percent) there was a downturn in income derived from retirement annuities — from R120-million to R98-million.

Commenting on this aspect, the review says: "In view of the pressing need for the individual to make adequate provision for retirement, the industry hopes that this experience will only be of a temporary nature and will be reversed in the near future."

An innovation in the five-yearly statistics in the review are tables reflecting year on year percentage growth in premium income, first related to actual figures reported and then to figures adjusted in terms of the 1982 rand.

The latter table makes it clear that there has been growth in real terms in this source of income throughout the five-year period with a 10 percent increase reflected in the past year. — Sapa.

PALABORA RECORDS BRIGHT FIRST SIX MONTHS

Johannesburg THE CITIZEN in English 4 Aug 83 p 25

[Article by Daan de Kock]

[Text]

HIGHER copper sales and firmer prices seem to be the two main factors that contributed to Palabora Mining's better results for the six months ended June 1983.

The company showed a turnover of R153,8-million compared with R128,5-million the corresponding period the previous year. This is an increase of about 20 percent.

After deductions have been made for costs the net operating profit amounted to R42 378 (R32 984). The adjustment for LIFO was substantially higher at R2-million (R675 000) but interest charges were more or less maintained at the same level. (R4,1-million against R4,3-million).

Deductions for taxation

and lease consideration was R18,4-million (R13,1-million) and the tax deduction on the LIFO portion R968 000 (R312 000).

Net profit after taxation amounted to R18,9-million (R15,2-million) which is equivalent to earnings of 67c (54c) a share.

Average copper price realised in the six months amounted to R1 805 (R1 604) a ton. A big portion of the higher average price could be attributed to the depreciation of the South African rand.

The production of copper in the six months showed a healthy increase and amounted to 63 968 (49 966) tons, while sales were also higher at 65 784 (60 037) tons.

The ore milled during

the period amounted to 14 246 534 (14 829 548) tons with an average grade of 0,52% (0,49%).

Sales of other products, with the figures of the corresponding period the previous year in brackets were:

Magnetite 30 835 (51 106) tons; sulphuric acids 54 332 (46 916) tons; vermiculite 59 761 (64 023) tons; uranium concentrates 161 296 (157 572) kg; and precious metals contents of anode slimes 254 449 (227 767) ounces.

The directors point out that sale of uranium will not occur in the second half of the year. If copper prices and the exchange rate remain at their present levels, it is unlikely that the results for the second half of the year will be as good as in the first half.

PROBLEMS BESET SALES OF STATE-OWNED HOMES

Johannesburg SOWETAN in English 4 Aug 83 p 4

[Editorial]

[Text]

THE SALE of the 500 000 State-owned houses which has been hailed by some as a massive breakthrough affecting the housing logjam in the townships, is far from clear if the kind of responses emanating from the people are anything to go by.

Everybody, it is clear, would like to own a house of their own, even under the suspect 99-year-leasehold scheme. But there are all kinds of rumours going the rounds that need to be cleared if the people are going to be satisfied.

There is talk already that this kind of leasehold holds no security; that the payment of site-rent after buying the house still reverts the situation to what it was.

There are those who are afraid that they might lose their homes if they do not buy. Neighbours are watching each other suspiciously and with the housing problem acute as it is there is a pervasive air of uncertainty and unhappiness among many.

There is fear that the shadow of the dreadful Movement and Settlement of Black Persons Draft Bill is still looming over us.

Lastly there is the bothersome problem of the massive R250-million electricity bill and how it is going to be repaid. People feel that they were not sufficiently cleared about the bill and how it was going to be met. Very little information and even

confusing elements about the repayment of the electric project persist. We are afraid even the officials themselves do not have a clear, or have rather not given a clear picture about the repayments.

If we may presume to advise those who are involved in these matters, there is need for a lot more information and clarification to the people.

We could go even further by suggesting that this should be made a Council election issue. The candidates contesting these elections should be able to challenge the incumbents about these worrisome problems. We believe the present councillors should be made accountable for all the various intricacies surrounding the buying of these houses.

They should be asked if the deal is a good one. They should be asked whether the one year period would perhaps not be extended. They should be asked to explain the anomalies surrounding the repayment of the electricity project and numerous other niggling questions that have still not been cleared.

And yet the seriousness of the issue is so acute that we believe it transcends politics. We are aware, however vaguely, that there are private organisations that are keen to help in this regard. We believe this will be a great time for them to do just this, particularly because their involvement will not be seen as di-

**rected by political considerations, in  
the main.**

**We believe the people would wel-  
come outsiders to provide inform-  
ation and clear some of the difficult  
things that are above even the most  
literate in the black society. Infor-  
mation bureaus or centres are  
needed in the townships, manned  
not by the hated board bureaucrats  
or council officials but by disinter-  
ested parties.**

CSO: 3400/1737

NATION READY TO STAKE BILLIONS ON DRY-COOLED ANSWER TO ENERGY PROBLEMS

Johannesburg RAND DAILY MAIL in English 23 Jul 83 p 10

[Article by Simon Willson]

[Text]

DEEP in the remote bush of the northwestern Transvaal, South Africa is again pushing modern technology to its limits — and maybe beyond.

Just as the Sasol project broke new ground in oil-from-coal technology, so Escom is now striking out deep into uncharted territory in the unexplored field of large-scale dry-cooled power generation.

The Matimba power station, being built near Ellisras, will be the world's biggest dry-cooled power station.

Nothing like it has ever been tried before. Matimba will be more than 10 times bigger than the world's largest existing dry-cooled station. To a certain extent, therefore, Escom is treading boldly into the dark.

This technological daring is not new to South Africa's giant energy corporations.

During the 1960s and 1970s, Sasol perfected the large-scale sourcing of oil from coal at a time when the technology involved had never been tested at such a high level of output.

Millions of rands were daringly poured into three vast plants and, as the real price of crude oil soared in the late 1970s, the Sasol plants came on stream with a significant and secure source of fuel.

The subsequent oil glut has done nothing to reduce Sasol's strategic value, as the real price of crude is expected to continue to rise later in the decade. Crude oil is, anyway, a shorter-lived global energy source than South Africa's huge coal reserves.

But now the emphasis has suddenly shifted. Water has succeeded crude oil as this country's most valuable fluid.

Instead of moving energy generation away from dependence on crude oil, planners are working on making energy generation independent of water.

As with the Sasol strategy, the move to dry-cooled power is not being done by half-measures.

Matimba, due to start operation in September 1988, will be only the first of Escom's dry-cooled mammoths. Another of equal size, Kendal, is scheduled to come on stream a year later with a smaller third plant, Majuba, following towards the end of the decade.

The commission's long-term, triple commitment to dry-cooling indicates its confidence in the principle's suitability to South Africa's conditions and requirements.

Matimba, however, will still have to show whe-

ther dry-cooling technology is economically and mechanically viable on such a gigantic and totally unprecedented scale in power generation.

Escom has staked R2 000-million on the calculation that it is.

For that is Matimba's development cost. Kendal's will be higher still after inflation and cost overruns, with Majuba not far behind.

But Escom's engineers are confident that their investment is sound. Technicians were sent to visit smaller dry-cooled power plants in the United States and Spain, and they also examined the tiny Van Eck dry plant near Windhoek.

Two dry generating sets have been in operation at Grootvlei power station since the early 1970s, and Escom is satisfied with their performance.

The commission has carried out exhaustive research into the principle of large-scale dry-cooling, and is sure that its homework will pay off handsomely.

As they were with the Sasol plants, the rewards for success in dry-cooling are high. Dry-cooled power stations use barely a third of the water used by conventional wet-cooled power stations.

South Africa's economic security would be boosted immeasurably by a removal of electricity's reliance on water. Panicky, expensive water transfusions from dam to dam would be a thing of the past.

South Africa's successful pioneering of large-scale dry-cooled power would also be an important milestone for other arid, desert-bound developing countries with increasing power requirements.

But first Matimba has to vindicate the faith placed in it. Technology that was previously employed in relatively tiny installations has to perform predictably in a plant of science fiction size.

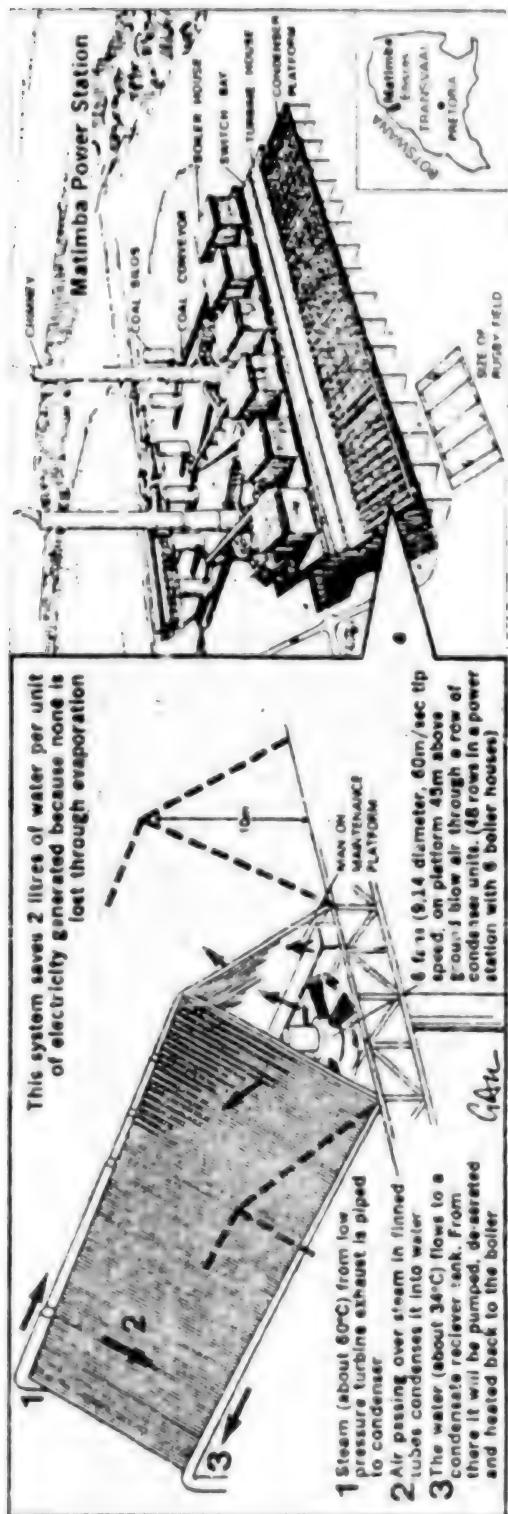
Matimba will not cool its superheated water in the familiar cooling towers and wastefully evaporate what is now such a precious resource.

Instead, it will use water in a closed circuit, re-using it after it has run through a sealed cooling system.

But what a system. It will comprise, in basic terms, a car radiator the size of six rugby pitches laid side by side.

The "radiator" is divided into six units. Each unit comprises 48 electric fans, each 9.14m in diameter — the size of helicopter rotor blades.

One senior engineer on the Matimba site confid-



ed privately that his main concern was that the whole radiator structure did not take off!

The water will be cooled by passing through the radiator fins and being blown by the fans — the same principle as that employed under a car bonnet, but unimaginably bigger.

It is calculated that the process will consume only 0,7-0,8 litres of water per unit of electricity, compared to the 2,5-2,8 litres of water per unit consumed by wet-cooled stations.

But in achieving this saving, virtually every step in developing Matimba will be a new frontier.

It will be Escom's only power station north of Pretoria. Sited barely 30km from the Botswana border, the multi-million rand installation will also become a major security headache.

With South Africa's power supply suddenly made vulnerable by the drought, such a plant could be a key target for insurgents bent on economic disruption.

With that in mind, Escom has thrown up 9,5km of double, barbed wire-topped security fencing around Matimba's 100ha site, with patrol roads on the perimeter and para-military guards at all access points.

The plant's sensitivity can also be gauged by the fact that Escom regards the Matimba security budget as secret.

The drought has shown the value of investing in power generation that consumes less water. A new, conservationist morality has swept the country, under which the carefree evaporation of millions of litres of this essential but dwindling resource may shortly become unacceptable.

The coming months may show Escom's strategy in developing Matimba to have been inspired, and the bold R2 000-million stake to have been well worthwhile.

USC: 1400/1738

RWB OPTIMISTIC ABOUT ATTAINING WATER-SAVING GOAL

Johannesburg THE CITIZEN in English 2 Aug 83 pp 1, 2

[Article by Mark Gordon]

[Text]

The Rand Water Board is now fairly optimistic of achieving its target of 20 percent water saving before the end of August.

"We began by saving eight percent, and have so far saved 13.5 percent," Mr Dale Hobbs, chairman of the RWB said yesterday.

He added that 24 percent savings on water consumption was now being achieved on a weekly basis, which, in effect, meant a saving of about 12 000 megalitres a week.

Mr Hobbs praised those municipalities which had introduced sliding tariffs.

"This is good. Other municipalities should do the same, not only in a drought situation, but also in the future."

He added that the RWB might have to

implement a sliding tariff system as well, "but we hope we won't have to."

Mr Wouter van der Merwe, chief engineer operations at the Directorate of Water Affairs, Department of Environment Affairs, revealed yesterday that the fourth weir in the Grootdraai Dam Scheme went into operation on Saturday.

Mr Van der Merwe added, that the first pump would be installed at the Grootdraai pump station on August 19.

Meanwhile, the Usutu-Vaal Scheme, is causing the Electricity Supply Commission "grave concern". Unless action is taken one of the power stations drawing water from the Scheme may have to close down before the end of this year.

In a bid to prevent this, Escom has

dropped power generation at the Camden station — which draws water directly from the Usutu-Vaal Scheme — to two sets, and faces the possibility of a further decrease to one set.

**Generate**

The organisation had even considered shutting down the station completely during off-peak periods, only allowing it to generate power during peak-hours.

The Kriel Power Station, which also drew water from the Usutu-Vaal Scheme has transferred its water requirements to the Grootdraai Scheme.

"This should help the Usutu-Vaal Scheme and Escom well into next year, even if there is no rainfall in the catchment area," Mr I S McRae, general manager operations at Escom, said.

## SOUTH AFRICA

### NEW MINERALS IN DIAMOND-BEARING ROCKS DISCOVERED

Kimberley DIAMOND FIELDS ADVERTISER in English 20 Jul 83 p 1

[Text] SCIENTISTS have found two new minerals in diamond-bearing rocks from Kimberley which could have a bearing on nuclear waste disposal. The minerals occur only in very small quantities.

Working with colleagues from other institutions, scientists at the University of Cape Town's department of geochemistry, have identified the new minerals by several methods of sophisticated analysis.

The university said in a statement in Cape Town that Professor Tony Erlank the head of UCT's geochemistry department, and Professor Stephen E Haggerty from the University of Massachusetts who is visiting UCT, were investigating the origin of the minerals.

One of the new minerals is called Mathiasite, after Dr Morna Mathias, a former member of UCT's geology department. The other is called Lindsleyite, after Professor Donald Lindsley of the State University of New York at Stony Brook.

#### APPLICATION

Professor Haggerty told the DFA yesterday that the new minerals could have a modern-day and useful application in the storage of nuclear waste. However, he said, though the indications were there, much research would have to be done before any confirmation was obtained.

He said that the minerals contained a number of radioactive elements. They were high in potassium, barium and radium, etc. The structure of the minerals allowed not only the incor-

poration of these materials, but others as well, he said.

They were ideal model repositories for radioactive nuclear waste disposal.

#### BY-PRODUCTS

Nuclear waste could be fixed into these minerals forming a synthetic rock (synroc). Professor Haggerty said.

He said that in this process radioactive by-products were put back into minerals where they stabilised rather than current disposal methods where they could be mobilised into the environment. The stabilisation of radioactive nuclear waste in minerals was widely held to be safer than current storage methods. However, the merits of this system as opposed to present system was much debated and research was necessary.

Professor Haggerty said that initial research had shown the new minerals were associated with armalcolite which was discovered in rocks obtained from the surface of the moon and named after the first lunar astronauts Armstrong, Aldrin and Collins.

He said that the new minerals were formed at a depth of 75 to 100 km below the earth's crust. This was a supposition in the absence of experimental data. Diamonds were formed at a greater depth

Mathiasite and Lindsleyite were formed in the magma beneath the earth's crust, where the actual volcanic eruption was generated.

#### TEAM WORK

The UCT statement said that the new minerals were positively identified through team work by Professor Haggerty and Professor Erlank, Mr R S Rickard of UCT's research laboratories, and Dr R V Danchin, formerly of Anglo American research laboratories, and Dr J R Smyth of the University of Colorado.

Several methods of sophisticated analysis were necessary to achieve the positive identification.

The International Mineralogical Association has approved the naming of the two new minerals and the initial results have just been published in the prestigious journal of the American Mineralogical Society.

A De Beers spokesman said that the minerals occurred in very small quantities in waste dumps from the Kimberley mines. In fact the quantities were so small that they were not industrially viable. However, he said the discovery was important and perhaps the mineral could be manufactured synthetically for the disposal of radioactive nuclear waste.

SOUTH AFRICA

MUSLIM LEADERS REJECT NEW DEAL PLANS

Durban THE DAILY NEWS in English 26 Jul 83 p 1

[Text] THE powerful Jamaat-E-Ulema of Natal, a school of Muslim theologians, today rejected the Government's new constitutional proposals as "un-Islamic".

The Jamaat has 200 000 followers of all races. Its decision means that every mosque in Natal will tell Muslims not to go along with the proposals, presenting the Government with a massive wall of Indian opposition.

The decision is the first by the Jamaat opposing the Government on a major issue.

Executive member Moulana Ismail Abdul Razack confirmed that the Jamaat had taken its stand and said a detailed statement would be made later this week giving its reasons.

"We had a successful meeting with the membership of the Jamaat which is made up of more than 50 religious leaders, all men of great learning and extremely high qualifications. Our decision is unanimous and we will not have anything to do with the proposals," said Moulana Razack.

The decision will come as a shock to those Muslims who have been in favour of the proposals and said that religion and politics do not mix.

By its stand, the Jamaat has made it clear that religion and politics cannot be separated and that a common stand had to be made.

Those Muslims such as the members of the Jumma Mosque in Durban and the Sydenham Muslim Association, who said that religion and politics did not mix, could well find themselves without a spiritual home.

For while organisations could turn their backs on the Islamic Council of South Africa (ICSA), they cannot do the same to the Jamaat, which is the supreme Muslim organisation on Islamic jurisprudence, religious matters and authority in Natal.

And unlike ICSA, the Jamaat has a long history which goes back to the arrival of the first Muslim religious leaders in this country from India more than 120 years ago.

It has strong grassroots support. A Jamaat decree for Muslims is law.

CSO: 3400/1738

## LOW PRODUCTIVITY WEAKENS SA'S EXPORT POSITION

Johannesburg THE STAR in English 26 Jul 83 p 20M

[Article by Stan Kennedy]

[Text]

South Africa's high inflation is being fuelled by low productivity — which has failed to keep pace with wage increases — and as a result exports are losing their competitiveness.

Although salaries and wages in the non-farming sectors rose 257 percent from 1975 to 1982, workers could buy only 11 percent more goods and services.

Labour productivity in this period rose 10.4 percent. This proves, says Mr R M du Plooy, senior product manager (economics and financial division) of the National Productivity Institute, that "we, as a nation, cannot buy a higher standard of living; we must earn it by producing more goods and services".

Improvement of productivity should be seen as a top priority, "because it determines the standard of living of our peoples, competitiveness of our industries in international markets and influences our economic growth rate and rate of inflation".

Labour productivity in manufacturing was up only 20 percent from 1975 while salaries and wages were 176 percent higher, highlighting the fact that salary and wages increases were not entirely financed by labour productivity improvements.

In the tobacco industry, for example, labour productivity was three percent lower in 1982 than in 1975, while salaries and wages were 247 percent higher.

Mr du Plooy says: "Demands for higher wages are based largely on cost of living grounds ... productivity is neglected as a bargaining issue in wage determinations.

"On the other hand, product price increases seem to be the only possible response to any cost increase and it seems that the wage-price spiral, which became a reality in the 1970s, will be present through this decade as well."

He says inflation can be brought down by higher productivity, which involves more efficient use of all resources — capital, labour, raw materials and energy — to ensure maximum output at minimum cost.

Higher productivity will justify wage rises that will not have to be matched by equal or higher product price increases, resulting in real wage increases.

Prices of all SA manufactures rose 140 percent from 1975 and 1982 and wages in all industries, except food, leather and footwear, were 176 percent up. Rising wages and relatively small labour productivity improvements, pushed up labour costs, which in the manufacturing sector rose 131 percent.

Resource price rises that exceed product price rises tend to trigger resource substitutions; for example, capital for labour.

"Workers and labour unions should realise the danger behind their actions. It is just possible that by continuously demanding

higher wages, they might force industrialists to become less labour-intensive."

There is some truth in the view that South Africa should be considered as having a developing economy. "But the industrialised countries represent South Africa's major trading partners and foreign trade plays a major

role in our economy.

"To maintain and possibly expand our trade advantage, South African goods and services must be competitive with these countries.

"Economically speaking, competition and productivity improvements are synonymous because it is impossible for rela-

tively inefficient producers to compete profitably without being protected. Prolonged protection can discourage efforts to improve productivity."

To strengthen its competitive position in international trade, SA must strive for a productivity growth rate at least equalling that of its competitors.

## Salary and wage rates, labour productivity, product price and unit labour cost indices in manufacturing

### Total Manufacturing

	Labour productivity index	Salary and wage rates	Product price index	Unit labour cost index
1975	100	100	100	100
1981	122	233	210	191
1982	120	276	240	231
<b>Food</b>				
1975	100	100	100	100
1981	122	213	237	175
1982	124	256	258	206
<b>Textiles</b>				
1975	100	100	100	100
1981	156	233	172	149
1982	145	278	192	191
<b>Clothing</b>				
1975	100	100	100	100
1981	155	188	156	121
1982	154	233	176	151
<b>Electrical machinery</b>				
1975	100	100	100	100
1981	101	235	180	233
1982	102	279	202	275
<b>Transport equipment</b>				
1975	100	100	100	100
1981	113	230	204	204
1982	105	268	242	255

URBAN FOUNDATION DIRECTOR INTERVIEWED

Johannesburg THE STAR in English 27 Jul 83 p 7

[Report of interview by Anthony Duigan with Mr Jan Steyn, executive director of The Urban Foundation, date and place not given]

[Text]

There must be something we can do! Make a noise ... lest they forget, as the monument says. I can still do that. I'll make it loud, make them stop in the street, make them say: People are living there! — Athol Fugard.

Making a noise. That is what Urban Foundation executive director Mr Jan Steyn believes has been one of the major successes of the organisation in its first six years.

Its lobbying efforts in the corridors of power have produced measurable results, he says: the 99-year leasehold rights for urban black householders; real local government power for urban black councils via the new Black Local Authorities Act; a new housing policy with the emphasis on home-ownership and self-help; tax concessions for private sector investments in education; and certain other issues the foundation considers too sensitive to talk about openly.

Three years ago it reassessed its position and committed itself to the promotion of structural reform — "an accelerated movement

away from discrimination and a rapid implementation of programmes designed to improve the quality of life of disadvantaged communities".

The foundation was not a charitable institution that gave handouts, but a developmental agency. The creation of, and accordingly part of, the private sector, he added, which must identify areas where there were defects in society and concentrate on putting these right.

In setting its priorities, said Mr Steyn, the foundation decided to concentrate on achieving what was politically possible through structural reform.

"Housing seemed to offer the best opportunity," he added. "Except for the Group Areas aspect, ideological considerations surrounding it were low and it was quickly identified as a critical area."

"The State's capacity to build new houses was being seriously eroded by the sheer amount of money needed by the Treasury to service existing loans. It meant that ways had to be found for

people to pay their own way."

Before the introduction in 1978 of 99-year leasehold, the housing system made black people serfs because of their total reliance on the local authorities for accommodation.

"It has also been my view that if we want to move from a position of confrontation to one of negotiation, then we must create structures through which black leadership can emerge.

"I saw the Black Local Authorities Act as the first, incremental step towards the emergence of this. At the same time, I do not see this legislation as the structure for the formalisation of the negotiating process at national level."

The first elections for black councils under the new powers contained in the Black Local Authorities Act are scheduled to take place late this year — and Mr Steyn believes it is a make-or-break issue

If the council elections in places like Soweto draw a poll of six or 10 percent — as they did first time round in 1977 — it would be a disaster for the advocates of "aggressive moderation". Mr Steyn believes.

But what concerns him more than anything is the

possibility that criticism of the Act, on the lines that it does not actually give any real power, would create a psychosis in the black community which could push some community leaders "into positions where they do not belong".

"I don't mind criticism of the Act being part of the apartheid structure. But what concerns me would be totally unfounded criticism that this new law does not give real power to black local authorities."

At the same time there was now an onus on the Government to demonstrate that it intended to create the financial mechanism to make these local authorities fully viable.

"The Government must state clearly that there is no way Soweto can generate the income to finance itself on its own. In other words, some form of income, like a share of GST, is necessary to supplement Soweto's income from its own meagre sources."

It was also imperative for the Government to clear the way for a full participation of black leaders in national affairs by stating that the new local government dispensation was in no sense a full answer but merely a step along the path for urban blacks.

Ref: 3400/1738

SOUTH AFRICA

ALUMINUM VEHICLES SAVE ENERGY

Johannesburg SUNDAY TIMES-BUSINESS TIMES in English 24 Jul 83 p 2]

[Text] ALUMINIUM has the potential to greatly contribute to the total energy saving of transport vehicles.

So says Fanie Malan, executive director of the Aluminium Federation of South Africa, which claims to have one of the most significant exhibits at Itec.

"Taking the car as an example, 1kg of aluminium replaces 2,2kg of ferrous materials resulting in a direct mass saving of 1,2kg," says Mr Malan.

"By virtue of this saving, a re-design of a lighter vehicle structure with reduced power requirements is possible and this should result in a further 40% secondary saving, equal to 0,5 kg.

"Thus a total mass saving of 1,7kg can be achieved. The down-sizing of bearings, axles, engine, gearbox, chassis and so on (the knock-on effect) contributes to the total energy saving."

Mr Malan points out that the present local content requirement for passenger cars is 66% by mass, and that every car manufactured carries an excise duty calculated on its mass in tons (M) and its excise value in rands (V).

"If the manufacturer betters the prescribed 66%, then certain rebates of the duty apply for every 0,1% or part thereof above 66%, and these too are based on M and V," says Mr Malan.

"For example, the duty for a car with a mass of 1 100kg and an excise value of R6 500 (with a 66% local content) is R715.

"If the mass was reduced by 100 kg, and the excise value remained at R6 500, then the duty will be reduced by R130 to R585. (Reduction in duty equals R1,30 a kilogram reduction in mass.)"

In other words, says Mr Malan, the excise value can be increased appreciably in order to effect a mass saving and the excise duty will still be much less than the R715 mentioned.

"A car with a 66% local content and a mass of 1 200 kg carries the maximum excise duty: 13c for every R1 excise value," says Mr Malan.

"At the other end of the scale the excise duty disappears completely if the mass is reduced to 550 kg."

For a car with more than 66% local content, says Mr Malan, the rebates granted (at say 68%) are higher for lighter vehicles and become progressively more for every reduction in mass.

"Lighter cars earn greater rebates when the local content exceeds 66%," he says.

"For a car with less than 66% local content (subject, however, to the weighted average nett local content of all car models cleared from a manufacturing warehouse during the quarter of assessment is more than 66%) will carry a greater excise duty.

"The lighter car," says Mr Malan, "although penalised more severely for being under content, is still better off than its heavier counterpart if the local content falls below 66%."

CSO: 3400/1738

SOUTH AFRICA

BRIEFS

COAL PRICE, OUTPUT--THE lower-than-expected domestic coal price increase and the intense pressure on export prices are reflected in the June quarter results of Rand Mines producers Witbank and Welgedacht. Both were able only to maintain their after tax profits--even though tonnages sold were higher. Witbank sold 3,7 million tons--21 percent more than the 3,1 million tons sold in the March quarter. Working profit rose from R21,7 million to R24,6 million which, after sundry expenditure of R448 000 (revenue of R249 000 in the previous quarter) left profit before tax of R24,2 million, compared with R21,9 million previously. Because capital expenditure increased from R17,5 million to R20,5 million, the tax man took only R2,8 million (nil in the March quarter) leaving profits after tax more or less unchanged at R21,4 million. Welgedacht's tonnage sold rose from 465 956 tons to 504 795 tons but working profit fell from R2,3 million to R1,65 million as a result of reduced export prices which were only partially offset by the disappointing domestic price increase. Although capital expenditure fell from R3,4 million to R1,8 million, there was still no tax liability and profits after tax were thus R2,2 million--virtually unchanged from the March quarter. [Text] [Johannesburg MINING NEWS in English 20 Jul 83 p 1]

NEW ALLOY 3CR12--RESEARCHERS in the Department of Metallurgy at the University of the Witwatersrand, in collaboration with Afrox and Middelburg Steel and Alloys, have invented a new type of welding rod which it is claimed will be of "enormous" benefit to industry. The invention is connected with the recent development of a new alloy called 3CR12 which is now used in the mining, transport and paper and pulp industries. This alloy, which has recently been licensed overseas, is a high-chromium, corrosion-resistant steel. Until the invention by Wits, however, there were problems in welding since a suitable filler metal was unavailable. The research team worked for 18 months to perfect a special welding rod which has solved these problems. Professor Paul Robinson of the Wits Department of Metallurgy and his post-graduate student assistant, Mr Serge Pagani, said the invention would make the alloy far cheaper to use. The material that was previously used for welding cost R12 a kilo but the new welding rods cost R4 a kilo. [Text] [Johannesburg MINING NEWS in English 20 Jul 83 p 16]

EPOXY TAR IMPORTED--FOSROC has decided to introduce a number of new products locally following the takeover of HIM Chemie, the leading Dutch coatings company, by Fosroc International. The first of these to be made available in

South Africa is HIM Chemie's Epoxytar. Fosroc has investigated locally manufactured tars and found that to ensure consistency of the product, it will be necessary to import tars from Europe. Epoxytar will however be available at a competitive price. HIM Epoxytar is a high build material at a competitive price. HIM Epoxytar is a high build material designed for the coating of steel and concrete. The product has a list of successful applications in the Middle East, Europe and the UK. [Text] [Johannesburg MINING NEWS in English 20 Jul 83 p 13]

PHALABORWA ROCK TESTS--TWO short porcessing test runs involving some 15 000 tons of Phalaborwa rock have shown that good results could be achieved utilising the Rhone Poulenc single tank delycrate process. According to a recently released review of their experience of processing Phalaborwa phosphate, Rhone Poulenc says the tests, which examined the production of phosphoric acid from Palaborwa phosphate, took place at Rhone Poulenc's pilot plant and its own commercial plants in France. Babcock Woodall-Duckham, part of the Babcock International group has built eight plants using this process, including the Triomf plant at Modderfontein which has been operating on Phalaborwa rock for 18 years and last year produced its millionth ton of acid. [Text] [Johannesburg MINING NEWS in English 20 Jul 83 p 3]

GOLD PROFITS--THE four gold producers in the Rand Mines group--Harmony, Blyvoor, Durban Deep, and ERPM--chalked up higher tonnages and lower costs during the June quarter, thus more than offsetting the effects of 41 dollars an ounce drop in the average gold price received. As a result, the mines increased their total after-tax profit by 8,4 percent from R64,4 million to R69,8 million. In spite of a small increase in costs at Durban Deep, the average costs of the group fell by 3,4 percent from R54,09 to R52,24 a ton. Although grade was down at all four mines, tonnage was five percent up at 3,9 million tons thus enabling the group to increase gold production by 2,5 percent--from 15 563 kg to 18 002 kg. Profit before tax fell from R130,1 million to just under R110 million, but because capital expenditure almost doubled from R17 million to R32 million, the tax man took a far smaller bite (R39,9 million against R65,7 million in the March quarter). The average dollar gold price received during the quarter was 8,7 percent down at 430 dollars an ounce, while the rand receipts were 8,3 percent lower at R15 021 a kg. None of the mines engaged in gold hedging transactions during the quarter. The only mine which did not have a bright quarter was Durban Deep. [Text] [Johannesburg MINING NEWS in English 20 Jul 83 p 1]

NEW SAFETY FUSE PLANT--AECI's new R27,3-million safety fuse plant at Mankwe factory in Bophuthatswana came on line at the beginning of July. The new plant has an annual production capacity of 144-million metres of safety fuse and will enable the company to supply the needs of the mining industry for the next 10 years. Most of the safety fuse is to be used for the manufacture of capped fuse, produced at the factory since it was opened in August last year, though to date the factory has relied on safety fuse from Modderfontein. The capped fuse plant has a capacity of 200-million units a year, based on a three shift operation. The manufacturing technology is entirely new and was developed by AECI's own research and development departments. It is known as the "wet spun" process, and the fuse is manufactured using black powder in paste

form. Full-scale production starts in October, on schedule. [Text] [Johannesburg THE CITIZEN in English 2 Aug 83 p 23]

KRUGERSDORP FISH DYING--FISH in Krugersdorp's Monument Dam are dying because the water level has dropped by 75 percent. The dam is normally 4 m deep at its deepest point but now the level has dropped to 1 m. A member of the Monument Fishing Club, Mr Duggie Schmidt, has proposed a rescue operation to save the fish. He plans to catch them in barrels and take them to a concrete irrigation dam owned by Mr Bennie Vorster of Oaklands. They would be kept there until the water level in the dam rises. A Krugersdorp Council spokesman said no approach had been made to them to save the fish but he thought it unlikely that such a proposal would be refused. [Text] [Johannesburg THE CITIZEN in English 2 Aug 83 p 8]

F.S. SCHOOL ADMITS TAIWANESE--HARRISMITH'S 11-year-old Taiwanese girl, Bibi Koo, will attend the St Mary's School for Girls in Johannesburg at the end of August. A spokesman for the school said yesterday Bibi had written the standard entrance test, had passed, and had automatically been accepted. "Bibi's mother, Mrs Ywann-Mann Koo-Fang, had originally planned that Bibi attend St Mary's next year, but because of permit problems in Harrismith Bibi will have to enroll as from the next term," the spokesman said. "Bibi's application was treated like any other. The important thing was for her to pass the entrance test, which she did." The spokesman said Bibi would be a boarder at the school and that she was not the only non-White pupil at the school. The little Taiwanese girl will spend the rest of the month with her mother in Harrismith before she moves to Johannesburg. Bibi enrolled at St Mary's after the control board of the primary school in Harrismith had decided that she could attend the Harrismith school if she obtained the necessary permits. The control board had not wanted to make a decision on Bibi's application at first, but announced last Friday that she could be accepted, pending the permits. Other Taiwanese children will now also be able to attend the Harrismith primary school if they obtain permits. According to the 93-year-old statute which forbids Asians to live in the Free State, all Taiwanese have to obtain special permits. [Text] [Johannesburg THE CITIZEN in English 2 Aug 83 p 2]

FARMERS' DROUGHT COSTS--CAPE TOWN--Maize production in South Africa has dropped by about 10-million tons in the past two years because of the drought, according to the president of the Western Cape Agricultural Union, Mr E P Robertson. In his presidential address to the Agricultural Union, meeting in Cape Town, Mr Robertson said maize production had dropped from 14-million tons in 1981 to about four-million tons this year. "Added to sugar, meat, sorghum, beans and wheat, we are looking at R2 500-million less farm income and a loss to our balance of payments after importing maize, beans and seed for this year's crop, at a figure in excess of R1 000-million," he said. In addition the "very necessary" Government aid to keep farmers on the land amounted to over R50-million and meant that all sections of the economy would be "feeling the pinch" soon. Referring to countries with outstanding debts, Mr Robertson said all Western countries had to help those with vast debts to avert a world financial crisis. Farmers should ensure that export products were of the highest quality and best value. Mr Robertson extended sympathy to farmers in other parts of the country who had been badly affected by one of the most

serious droughts for many years. However, in the Western Cape there had been a record wine harvest and more corn, meat, wool and fruit produced than last year. [Text] [Johannesburg THE CITIZEN in English 29 Jul 83 p 15]

MARINE INSTITUTE APPOINTMENT--CAPE TOWN--Dr C B H Fincham, a University of Cape Town graduate and former South African Ambassador to Israel, has been appointed director of the newly established Institute of Marine Law. Dr Fincham was South Africa's representative in Israel until his retirement from the SA Foreign Service in 1978. [Text] [Johannesburg THE CITIZEN in English 29 Jul 83 p 4]

MAIZE POLICY--THE Minister of Agriculture, Mr Greyling Wentzel, is to address maize farmers at an extraordinary congress which could represent a crossroads in the maize industry in South Africa. At the congress, which is being held at the Ellis Park stadium in Johannesburg in September, Mr Wentzel is expected to explain the Government's policy regarding the maize industry to farmers. Earlier in the year, the National Maize Producers' Organization (Nampo) held discussions with the Minister. Nampo set out the critical conditions in the maize industry and asked the Minister to take urgent steps to assure the future of the industry. Mr Wentzel then nominated four Nampo members to the Jacobs committee which is to make proposals for policy guidelines for the maize industry to the Government. [Text] [Johannesburg THE CITIZEN in English 30 Jul 83 p 5]

SECRET PLATINUM COINAGE--LONDON--Secret talks are under way in South Africa between the major platinum producers, the Chamber of Mines and the Reserve Bank aimed at establishing a one ounce platinum coin as legal tender on a par with the Kruger rand. The proposed new coin is provisionally being named the "Platirand" which has a numismatic ring about it. The South African authorities are unlikely to proceed until they are certain the Platirand will take none of the shine of the Kruger, which has established a regular international market of 3-million ounces a year--rarely worth less than R1 000-million. But the new move could have enormous implications for the platinum industry. For a start, the substantial premium enjoyed by platinum over gold on the world's metal markets for most of the 1970s has disappeared since 1980. According to figures produced by David Hargreaves of a leading trader, the gold/platinum price ratio reached a peak of 1,37:1 at one time last year, and left platinum standing when its price took off on the Mekle crisis a year ago. Secondly, the attempt to market platinum for jewellery is proving only moderately successful. Rustenburg and Impala, however, have set up marketing organisations which could provide the basis for a Platirand marketing body. Today the two metals are roughly back in line with each other on the world's metal markets and those in favour of minting a platinum coin argue that it would also help to promote a speculative build-up of bullion stocks and stimulate awareness of platinum's strategic value. [Text] [Durban THE DAILY NEWS in English 20 Jul 83 p 19]

ISLAMIC COUNCIL DELEGATION--A 12-MEMBER delegation from the Islamic Council of South Africa will leave on Monday for Sierra Leone for an international conference on problems for pilgrims in Saudi Arabia. Council president, Sheikh Abu-Bakr Najaar, said the delegation, led by Imam Ishaak Jarodien of

Kimberley, would discuss the hardships facing pilgrims--and South Africans in particular--who were having visa problems. "We do not have any visa problems with the Sierra Leone Government and we have been assured that our delegation will have full rights at the conference," said Sheik Hajaar. He said Sierra Leone and South Africa did not have diplomatic relations, but that ICSA had international recognition. "Our delegation will offer solutions which we think will enable our people not to have the kind of trouble they have been facing in Saudi Arabia. With international backing from the Muslim world, we are in a stronger position to sort out the problems imposed on us," said Sheik Najaar. A delegation from Iran, including a personal representative of the Ayatollah Khomeini, would also attend the week-long conference. [Text] [Durban THE DAILY NEWS in English 22 Jul 83 p 15]

ORANJEWERKERS CONDEMN REFORM--A group dedicated to building "white South Africa" (verblanking) has urged members to speak out against the new constitution. The Vereniging van Oranjewerkers said in the June issue of its magazine Orange: "If the Afrikaner nation is to remain free, this law must be rejected." It gives 10 reasons. These include a contention that the law is being enacted too quickly and another that a referendum may confuse many people. Publicity given to the legislation was too partisan and the law was unfair. The article asks why should the coloured people and Indians should be treated differently from blacks. Coloured people and Indians would still be inferior without the potential for self-determination, while whites would no longer have sole sovereignty over their own country. If the constitution were enacted there would be no moral basis for retaining any form of segregation, not even of the blacks. [Text] [Johannesburg THE STAR in English 26 Jul 83 p 3]

ANC STUDENT SENTENCED--CAPE TOWN--A former student at the University of the Western Cape, Headley Moses King, was sentenced in the Paarl Regional Court yesterday to 18 months' imprisonment for participation in the activities of the banned African National Congress. Six months of the sentence was suspended for four years on condition that he was not found guilty of a similar offence. The magistrate said he had taken into account that King had been carried away by the idealism of students and that he was a product of the time fired by circumstances. [Text] [Johannesburg THE CITIZEN in English 3 Aug 83 p 14]

AECI CLOSES NATAL FACTORY--AECI yesterday announced that it would suspend operation of its Umbogintwini factory in Natal from September 1. "This decision has been taken with regret in the face of the very severely depressed state of agriculture in South Africa," a company spokesman said. The drought and high interest rates had greatly reduced the demand for fertilizer in South Africa and this, together with substantial quantities of urea imported last year, "has created a considerable surplus of nitrogenous fertilizer." The plants will be "mothballed" to make it possible to restart them in the future, if conditions are more favourable. The statement said employees would be redeployed as far as possible, but there would be some redundancies. [Text] [Johannesburg THE CITIZEN in English 4 Aug 83 p 4]

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